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ABSTRACT

Farm labor contractors (FLCs) have become increasingly important in California agriculture. This report examines FLC background characteristics, business practices, and relationships with employers and farm workers, many of whom are seasonal and migrant workers. Over 300 FLCs, farm workers, and growers were interviewed in five California regions. More than 80 percent of the FLCs interviewed were male and Hispanic. Nearly half were born in the United States. They averaged 6 years of schooling in the United States or 3 years in Mexico, about a third had graduated from high school, and 23 percent had completed some college courses. Growers employed FLCs primarily to reduce paperwork and to help recruit and manage farm workers. FLC business and employment practices varied considerably among regions with varying labor demands. Many FLCs mentioned "cutthroat" competition and stated that lack of governmental enforcement of rules and regulations put honest contractors at a disadvantage. Over a third would like the government or university system to provide educational programs on legal, technical, and business aspects of labor contracting. Appendices include the survey instrument, research methodology, and payroll data. This document contains numerous tables and graphs. (LP)

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92-2

Farm Labor Contractors In California

Labor Market Information Division

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Farm Labor Contractors in California

Labor Market Information Division
California Employment Development Department

July 1992

Submitted to the California Employment Development Department by

Agricultural Personnel Management Program
Division of Agriculture and Natural Resources

on behalf of
The Regents of the University of California

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Acknowledgments

by Labor Market Information Division

This study of California's farm labor contractors was a collaboration of many people and organizations. It was initiated by the California Employment Development Department with funding from the U.S. Department of Labor's Employment and Training Administration, the University of California, and the National Institute of Occupational Safety and Health (NIOSH). Researchers from the University of California at Berkeley, the California Institute for Rural Studies in Davis, and Vaupel Associates in Sacramento contributed their enormous talents and experience to the project. The Employment Development Department (EDD) is most appreciative of their personal commitment, professionalism, and effort.

Three principal collaborators and co-authors were most responsible for completing this project, from study design to survey development and implementation, data analysis, and report writing. The University of California (UC) was contracted by EDD to carry out the study, and Howard R. Rosenberg, UC Department of Agricultural and Resource Economics, was principal investigator. In this role, he had ultimate responsibility for this final report, its technical integrity, and particularly its conclusions and recommendations. Dr. Rosenberg principally developed the structure of the report, had lead responsibility for the rewriting and editing process, and participated in project design, questionnaire development, and data processing and analysis.

Suzanne Vaupel of Vaupel Associates was the project coordinator and field work supervisor, collaborated on the study design, and drafted most of the report, particularly sections presenting the survey findings. She had primary responsibility for implementing the survey methodology, including construction of survey questionnaires and directing the planning, scheduling, and conducting of interviews. She both managed the field work and conducted a substantial number of interviews herself. Ms. Vaupel analyzed the survey results, constructed most data tables, translated survey data into information about farm labor contractors (FLCs), and collaborated in the structuring, rewriting and editing process. Her prior research into this topic contributed to the background and analysis presented in this report.

Don Villarejo, California Institute for Rural Studies (CIRS), received funding from NIOSH which augmented the project significantly. He had primary responsibility for combining, cleaning, and managing the data bases of FLC names and addresses obtained from EDD, the Department of Industrial Relations, and the Department of Labor. Dr. Villarejo's responsibilities included overseeing the survey sample selection, analyzing FLC compliance with licensing, registration, and reporting requirements, and drafting introductory material for the report. Dr. Villarejo had an important role in conceptualizing the overall project, and contributed to the rewriting and editing process.

Two additional collaborators and co-authors were Jeffrey M. Perloff of UC Berkeley's Department of Agricultural and Resource Economics, and David Runsten of CIRS. The latter contributed extensively to the overall design phase of the project. Mr. Runsten further participated in sample selection, survey development, interviewing growers, and report preparation. Dr. Perloff contributed to the sampling strategy, questionnaire construction, and report preparation, as well as supervising portions of data processing and analysis.

Many others from UC, CIRS, and Vaupel Associates deserve great thanks for their able and dedicated work essential to the success of this project. Ana Garcia, Ricardo Ornelas, and Guadalupe Sandoval conducted interviews with farm labor contractors and farm workers. Christopher Edmonds created the research data bases and protocols for data entry, programmed computer reports, and assisted in data analysis. Noreen Wong entered survey data, assembled drafts at various stages, and formatted tables and figures for the final report. Loretta Lynch and Youssouf Camara verified survey data files, programmed computer reports, and contributed preliminary data analyses. Vijaykumar Pradhan analyzed the comparable data from survey and agency files, and created numerous figures and tables for the report. Gretchen Bradfield created the data base of FLC names and addresses by cleaning and merging agency files.

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And most of all this project is indebted to the farm labor contractors, farm workers, and growers who gave generously of their time in the survey interviews. Their voluntary participation made this study possible.

Summary

Farm labor contractors (FLCs) have become increasingly important in California's agricultural production. The number of farm workers employed by FLCs has more than doubled since 1978, and wages have nearly quadrupled (in nominal dollars). To increase our understanding of the roles, business practices, and concerns of contractors, this study was commissioned by the California State Employment Development Department (EDD), with primary funding from the U.S. Department of Labor (DOL).

The surveys for the study were conducted in five general areas of the state: Fresno County, San Joaquin-Stanislaus Counties, the Desert region (mainly Imperial County), the South Coast region, and the Central Coast region. Over 300 contractors, farm workers, and growers were interviewed based on samples of employer records belonging to the EDD, the U.S. Department of Labor, and the California Department of Industrial Relations (DIR). Other data, such as those relating to payrolls, were obtained from EDD employer files.

The following are highlights from the study:

- All regions of California included in this study have experienced the increasing influence of farm labor contractors. In some areas, such as the Salinas Valley, there is work through most of the year, and the workforce is more settled and highly paid. FLCs are being used increasingly there in seasonal and harvesting work. Citrus and vegetable workers in Ventura County also tend to be more settled in the community and find work there through much of the year. Where citrus packers once hired most workers through harvesting associations, FLCs now are working mainly under contract with the growers, although some are employed by the packing houses. In Fresno County, agricultural work is more highly seasonal and diverse; consequently, there are more FLCs and many are responsible for transporting workers to and from the fields.

- The payroll size among contractors varies significantly. Data from EDD employer tax files indicate that more than 57 percent of the contractors had 1990 payrolls of less than $250,000, and aggregate pay from these employers amounted to less than 10 percent of total contractor payrolls. In contrast 14 percent of FLCs had payrolls of $1,000,000 or more and over 60 percent of all contractor wages reported to EDD.

- More than 80 percent of the FLCs interviewed were male and Hispanic. Nearly half were born in the United States. Although they completed about an average of six years of schooling in the U.S. or an average of three years of school in Mexico, about a third had graduated from U.S. high schools and 23 percent completed some college courses.

- Those surveyed stated that they work as FLCs for an average of about nine months each year. About one-third work throughout the year as contractors. Nearly 32 percent own farms, 28 percent are engaged in custom harvesting, and 23 percent are in the business of transporting agricultural goods.

- FLCs operate differently throughout the state. Annual income for 1990 improved more in some regions than in others, and variations in peak season staffing and worker turnover were also observed. Differences among the areas were also found in the employment of foremen and the handling of administrative tasks.

- Most FLCs employ foremen or mayordomos to supervise their crews; however, administrative tasks such as maintaining payrolls and other paperwork are handled by family members, hired office staff, and/or outside professionals. A minority of the contractors, usually only in the smallest operations, personally manage the administrative responsibilities.

- A few of the very large FLC operations concentrate their business with a small number of very large growers. The average number of customers served by contractors is 15; 70 percent of the FLCs reported 12 or fewer customers.

- Contractors state that growers employ FLCs primarily to reduce the amount of their paperwork, to help recruit farm workers, and to reduce their production costs. More than 80 percent of the contractors do not have written contracts with their customers.

- Competition for customers was expressed by many FLCs as a matter of increasing concern. Many stated that there is "cutthroat" competition, which includes other contractors charging commission rates below actual costs.

- Even though 80 percent of the FLCs contact some workers from the previous year to work in the current season, only eight percent make the effort to call their workers in the off-season. On the average, about half of a contractor's workforce is made up of returning employees.

- Hiring by contractors is mostly accomplished through referrals by employees and foremen/supervisors and by worker walk-ins.

- More than half of the contractors make most of the hiring decisions. The larger the operation, the more likely that foremen make the hiring decisions.

- Eligibility to work in the United States was the only hiring criterion cited as being very important by virtually all FLCs surveyed.

- Most contractors do not keep written records of worker performance.

- For 96 percent of the contractors, insurance companies were the primary source of information on workplace safety.

- The government agencies most contacted for information or assistance were the DIR and EDD.

- Many contractors state that the lack of governmental enforcement of rules and regulations puts honest FLCs at a competitive disadvantage since dishonest contractors are not caught. Some federal and state enforcement agencies surveyed admit that they lack the resources to maintain adequate workplace inspection programs.

Farm Labor Contractors in California

A. Introduction

1. Purpose and Scope of this Study

Farm labor contractors (FLCs) are increasingly important in agricultural production. Business activity and payrolls of FLCs have increased substantially since the late 1970s, while the proportion of labor performed by farmers and family members and by workers whom they directly employ has declined.

Anecdotes and impressions about FLCs have been much more abundant than objective understanding of their roles, business practices, and concerns. Who are these individuals, and where do they come from? How are their businesses organized? How and where do they market their services? How do they manage their employees? How do they deal with government regulation? What is their outlook on the farm labor market?

This study, commissioned by the Labor Market Information Division of the California Employment Development Department (EDD) and funded by the Employment and Training Administration, United States Department of Labor, is designed to answer these questions. In April 1990, EDD formally stated its intent to better understand the growing importance of FLCs in the farm labor market and invited proposals for research that would include a survey of FLCs. Other specifications stated in its Request for Proposals were that the survey: (a) focus on business practices of FLCs; (b) be as wide-ranging as possible in counties with significant agricultural employment; and (c) lead to recommendations on how FLC activities can be more precisely reported to EDD.

EDD accepted the proposal submitted by the University of California Agricultural Personnel Management Program, which was to subcontract with the California Institute for Rural Studies (CIRS) to coordinate data collection, conduct field interviews, and draft much of the final report. A project team was assembled to combine the many different skills and abilities needed to complete respective parts of the endeavor.

The plan of work went beyond requirements of the RFP in three key ways: (1) "Business practices" was interpreted broadly to include FLC characteristics and perspectives as well as relations with their customers (farm and packing house operators), employees (workers), and administrative agencies; (2) Complementary surveys of workers and growers associated with some contractors in the main survey sample were conducted to provide additional perspective on information from the FLCs; and (3) Funding that had been obtained by CIRS for a study of FLC safety practices was used to expand survey coverage from the proposed four regions to five and the number of FLC interviews from 120 to 180.

Survey content is reflected by the FLC questionnaire in Appendix 1. Findings presented in this report are organized in sections that largely correspond to those of the questionnaire. The FLC population and our methods for gathering data about it are discussed in section B, personal characteristics of FLCs in Section C, business identity and administration in Section D, market niche and grower relations in Section E, personnel management and employee relations in Section F, and contact with government agencies in Section G. Section H presents conclusions and recommendations.

2. Growth in Labor Contracting

For well over 100 years farm labor contracting has been a labor market institution and a system of independent ethnic intermediaries in California. Since the 1870s, when large numbers of Chinese entered the farm labor force, its importance has risen and fallen with changes in the composition and degree of organization of the farm workforce.[1] Required to be licensed in California since 1951, contractors were not regulated by federal law until 1963.

FLCs in California have reported substantially increased employment since 1978 (Figure A-1). Annual average employment in Standard Industrial Classification (SIC) Code 0761, farm labor contractors, more than doubled from 37,697 in 1978 to 77,299 in 1990. Correspondingly, annual payrolls (in nominal dollars) of FLCs reporting under SIC Code 0761 have increased from approximately $155 million in 1978 to nearly $580 million in 1990 (Figure A-2). Even corrected for inflation, the constant value wages paid by farm labor contractors have risen by 78% (to $277 million in 1978 dollars). When FLCs who report wages and employment under other SIC codes are considered, these totals are substantially greater.

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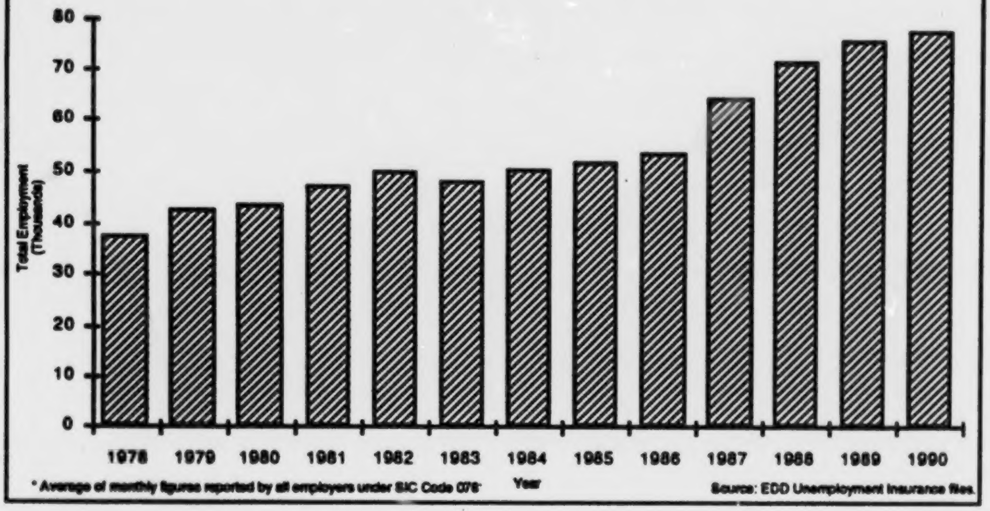
[1] For a historical analysis of agricultural labor supply in California, see Varden Fuller, *Hired Hands in California's Farm Fields*, Giannini Foundation Special Report, University of California, June 1991. Background specifically relating to FLCs is in Suzanne Vaupel and Philip Martin, *Activity and Regulation of Farm Labor Contractors*, Giannini Information Series No. 863, University of California, 1986.

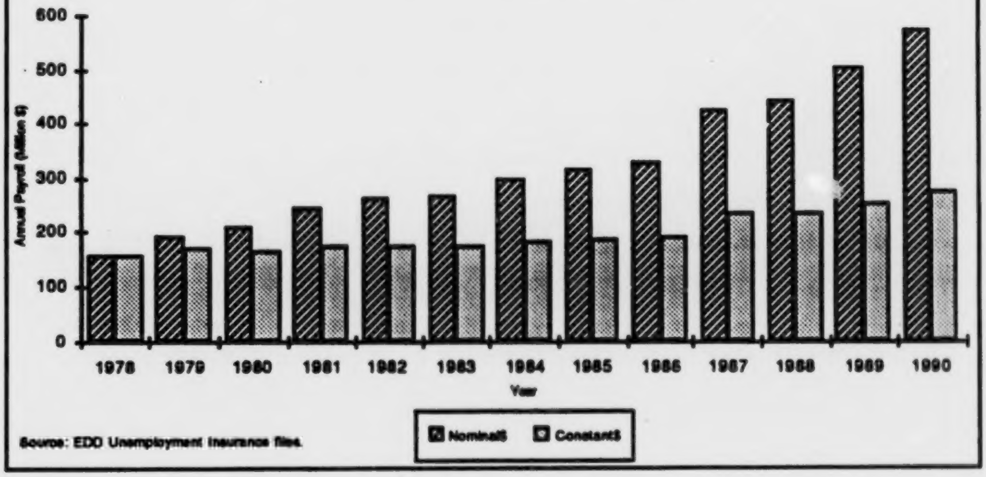
Figure A-1. Total Employment* by FLCs in California, 1978-90



* Average of monthly figures reported by all employers under SIC Code 076

Source: EDD Unemployment Insurance files.

Figure A-2. Total Payroll of FLCs in California, 1978-90
(Nominal and 1978 Constant Dollars)



Source: EDD Unemployment Insurance files.

What has caused these increases, particularly given the history of sometimes burdensome and restrictive regulations applying specifically to FLCs? Clearly there is a strong demand for the services offered by FLCs. Many growers apparently believe that FLCs relieve them of difficulties, uncertainties, and costs associated with direct employment of workers. These beliefs are not unfounded.

Labor needs on California farms fluctuate greatly over the course of a year. In 1990, for example, reported monthly agricultural employment ranged from a low of 337,357 in February to a high of 557,188 during September.[2] Although annual average employment was about 441,000 in both 1989 and 1990, 881,000 different persons held agricultural jobs in this state some time during the year.[3] Most farm jobs are temporary, and a large portion of workers who want any semblance of steady employment have to find several jobs each year.

At the level of the individual farm, even a most disciplined manager cannot always make employment plans far in advance. Vagaries of weather and the marketplace may unpredictably affect both how much and when labor is needed on a farm. For many short term tasks, the farmer's ideal labor supply would be flexible, skilled, and abundant. But labor is supplied by people who have their own personal needs and schedules, different sets of abilities, and limited information about job openings. FLCs serve the economic functions of reducing personnel transactions and legal liabilities for growers and providing more continuous earning opportunities for some workers.

Cultural and linguistic differences between California's farmers and the persons hired to perform farm work compound the challenges of direct recruitment, selection, supervision, instruction, and other job-related communication. Average age of farm operators in California is 55.6 years (fully 31 percent are over 65) and only 4 percent are of Spanish or Portuguese origin.[4] California's hired farm workforce hardly fits this profile. A survey of hired farm workers in the San Joaquin Valley during summer 1989 found that 90 percent had been born in Mexico, their average age was 35 years, average years of schooling was 5.9, and more than half were monolingual Spanish speakers.[5] As ethnic intermediaries, FLCs and their hired foremen ("mayordomos") bridge gaps of culture as well as labor market information between farm operators and workers. In addition, they often have better access to recent immigrants, who are more likely to accept terms of employment that longer-term residents would shun.

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[2] These monthly totals include jobs reported under all agricultural Standard Industrial Classification codes. Excluding the employment figures for cotton ginning, pet veterinary and non veterinary services, landscape, gardening, and tree services, the farm job totals for February and September are 265,000 and 477,000. Employment Development Department *Report 882A, Agricultural Employment*, 1990.

[3] Employment Development Department, California Agricultural Studies Series, *Agricultural Employment Pattern Study: 1989.*

[4] U.S. Department of Commerce, Bureau of Census, *1987 Census of Agriculture, Vol. 1, Geographic Area Series, State and County Data, Part 5 (California)*, AC87-A-5, July 1989.

[5] Alvarado, Andrew J., et al, *Agricultural Workers in Central California in 1989*, California Employment Development Department, 1990.

Increased regulatory complexity and paperwork associated with agricultural employment have added to reasons for contracting out seasonal labor tasks. The landmark Immigration Reform and Control Act of 1986 was only one source of legal liability raising costs and risks of direct employment for farmers. Although growers and contractors may be deemed jointly liable for violations of many employee protections, farm operators have reduced or eliminated exposure to some charges of wrongdoing by using FLCs. Growers have also sought to avoid unionization through contracting, even though the Agricultural Labor Relations Act does not recognize FLCs as independent employers.

Finally, FLCs offer many growers direct cost advantages and greater short-term flexibility in meeting their labor needs. To the extent that FLCs can economize on wages and benefits, they can pass on some savings to customers. In addition, contractual arrangements for specific tasks to be performed at predictable cost impinge minimally on farm operators' decisions to alter production, technology, staffing, and terms of employment in the future. In contrast, direct employment may resemble to some farmers more of a fixed overhead than variable operating cost.

A previous statewide survey of FLCs in California was conducted by the Department of Industrial Relations in 1947.[6] This work found many abusive conditions associated with the worst of farm employment. Intense competition among contractors had led many to cut costs by paying sub minimum wages and to raise their personal incomes by charging workers exorbitantly for housing, board, transportation, and equipment. Recent news stories have described some contractors and other farm employers currently persisting in such practices.[7]

This study, however, adds to evidence of a sector of FLCs who are committed to their profession, abide by the laws, and try to conduct their business fairly in relation to employees as well as customers. While numerous studies have shown the agricultural industry to be diverse and variegated by crop, region, and size of production entity, there has been no systematic mapping of the heterogeneous FLC population. We believe that the present study is unmatched in breadth or depth by any other research on farm labor contractors. It reports almost exclusively on the data collected in this project from FLCs themselves. Findings from the supplementary surveys of growers and workers will be the focus of a subsequent study.

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[6] Alan Bruce, *Farm Labor Contractors in California*, Draft Report to the Labor Commissioner, Department of Industrial Relations, State of California, 1948.

[7] For example, "Fields of Pain," a series published by the *Sacramento Bee*, December 1991.

B. The FLC Population and Survey Sample

1. Defining the Population of Farm Labor Contractors

How many FLCs are there in California? The answer varies with definitions and data sources. Information from governmental agencies is used in the present study both to provide measures of FLC population size and to supplement the collected survey data.

FLCs have reporting obligations over and above those that generally apply to other employers. All FLCs and their employees who perform FLC activity (mainly field supervisors and foremen) are required to register with the U.S. Department of Labor (DOL). Before doing business in California, FLCs must also obtain a license from the Labor Commissioner, California Department of Industrial Relations (DIR) and register with the Agricultural Commissioner, California Department of Food and Agriculture (CDFA) in each county where they operate. Not all the same persons are required to both register with DOL and obtain a license from DIR.

California law defines a *farm labor contractor* as:[8]

". . . any person who, for a fee, employs workers to render personal services in connection with the production of any farm products to, for, or under the direction of a third person, or who recruits, solicits, supplies, or hires workers on behalf of an employer engaged in the growing or producing of farm products, and who for a fee, provides in connection therewith one or more of the following services: furnishes board, lodging, or transportation for such workers; supervises, times, checks, counts, weighs, or otherwise directs or measures their work; or disburses wage payments to such persons."

Day-haulers, who transport farm workers to their jobs, are specifically subject to the FLC license requirement.[9] Custom harvesters, who provide labor as well as machinery for a particular task, are also required to be licensed as FLCs.

The federal Migrant and Seasonal Agricultural Worker Protection Act of 1983 (MSPA) defines *farm labor contractor* differently than California law:[10]

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[8] Cal. Labor Code sec. 1682.

[9] A day hauler is "any person employed by a farm labor contractor to transport, by motor vehicle, workers to render personal services in connection with the production of any farm products for, or under direction of, a third party." Cal. Labor Code sec. 1682.3.

[10] 29 USC sec. 1802.

". . . any person, other than an agricultural employer, an agricultural association, or an employee of an agricultural employer or agricultural association, who, for any money or other valuable consideration paid or promised to be paid, performs any farm labor contracting activity."

Farm labor contracting activity consists of "recruiting, soliciting, hiring, employing, furnishing, or transporting any migrant or seasonal agricultural worker."

Virtually all employers in California are required to pay unemployment insurance (UI) taxes quarterly, including a report of wages paid in the quarter and the number of persons on the payroll during a given pay period each month, with the Employment Development Department (EDD). EDD provided for this study computer-readable records on all employers filing UI during 1990 under standard industrial classification (SIC) code 0761, which is designated for labor contractors. DOL provided records of all California farm labor contractors registered, and the state DIR supplied data on FLC licensees.[11] Since the requirement to register with county Agricultural Commissioners did not take effect until 1991, data were not requested from CDFA.

Parts of the records from the three agencies were electronically merged into a single file. Analysis of the merged list of contractors revealed many inconsistencies in basic identification data on the same entity. A majority of the merged records contained at least one error in name, address, city name, zip code, or other item. Some of the errors were obviously from simple transcription mistakes. Others may have been caused by intercultural misunderstanding, such as failure to recognize and properly record a double Hispanic surname.[12] English-only forms for reporting and licensing of largely Spanish-speaking contractors have no doubt contributed to inaccuracies in files.

There were also many cases of the same entity being identified differently by two or all three of the agencies. Use of different names (individual and/or business) in reporting to respective agencies is often the source of such complication. Numerous entities reported corporate or fictitious business names to EDD and an individual name--or a different business name--to DOL, DIR, or both. Careful comparison and

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11. Data obtained from these agencies included (1) from DOL federal registration records: name of business or principal; DBA name; address; contractor name; social security or federal employer ID number; estimated crew size; authorization to provide housing or transportation; registration expiration date; (2) from DIR state licensing records: name of business or principal; address; license number; license expiration date; base county; and (3) from EDD unemployment insurance payment records: name of business or principal; address; social security or federal employer ID number; EDD employer ID number, total payroll each calendar quarter; employment each month (persons on payroll in pay period which includes the 12th day of the month); standard industrial classification (SIC) code.
12. Use of such surnames, composed of the father's surname followed by the mother's, is common. Consider, for example, Maricela Aguilar Maldonado. Aguilar is the surname of Maricela's father, Maldonado of her mother. The clerk creating an agency record from a handwritten form might enter Maricela Aguilar, Maricela Maldonado, Maricela Maldonado Aguilar, or some other permutation.

matching of data fields (mostly addresses) in the source files led to the merging of many such records in this analysis.

The resulting merged file of 3,580 records includes FLCs who were represented in the 1990 files from at least one of EDD, DOL, and DIR, as described above. Since all matchable records may not have been identified, the sizes shown in Table B-1 for the merged file as well as individual agency files should be considered as upper bounds on the actual number of records in each.

Table B-1. Size of Agency Files on California Farm Labor Contractors, 1990

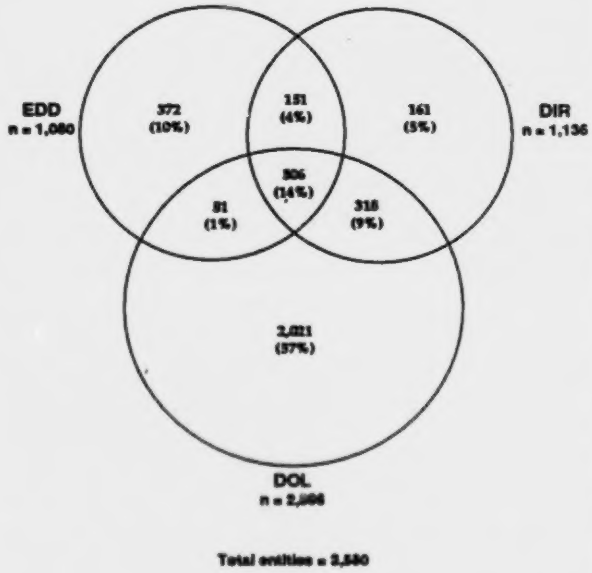
FLC Record	Number
Federal Registrants (DOL)	2,896
State License Holders (DIR)	1,136
Employers Reporting UI Under SIC code 0761 (EDD)	1,080
Combined Total (in one or more of the three files)	3,580

A farm labor contractor may be officially recognized as such from its registering with DOL, obtaining a license from DIR, or filing UI under the 0761 SIC code. Do the same people, or entities, do all three? Figure B-1 shows that while a total of 3,580 do any, only 506 (14 percent) do all. There are many who pay UI under 0761 but are neither registered nor licensed (372), many who are licensed but not registered (312), and a great many who are registered but not licensed (2,072).

Federal registrants who do not possess state licenses are not necessarily out of compliance with state law. DOL requires supervisory employees of FLCs to register in an "FLCE" (E for employee) designation, and those who work for more than one contractor to register as FLCs themselves.

The foremen and crew leaders who register as FLCs are indistinguishable on the DOL list of registered FLCs from contractors who are not also employees. Though registered with DOL, these foremen are not generally required to obtain a California license or to report to EDD. We neither requested nor received a list of FLCEs from DOL.

Figure B-1. Intersection of Agency Files on FLCs in California, 1990



There are other reasons for names not appearing on all three agency lists. First, records referring to some of the same entities may have had entries in the respective files too different for us to confidently match and merge, including apparent cases of different family members who run a single business and collectively meet all reporting requirements but under their respectively different names. Second, many FLC reports to EDD are collected under SICs other than 0761. Reports from farmers who also run FLC operations, for example, are usually under a crop code. Reports from some FLCs with other businesses may be under such SICs as farm management companies, machine harvesters, and truckers. Some FLCs are simply misclassified under such codes as 0723, "Crop Services." Reporting under different codes can explain many of the 318 names which are on both DOL and DIR lists but not on the EDD list under code 0761.

Finally, some persons who perform labor contracting activity may simply fail to meet the legal requirements to register, obtain a license, or report wages to EDD. Those who do none of the three fall outside the overlapping circles of Figure B-1 and add to the total of 3,580 known entities.

2. Sampling Strategy

Primary data for this study were collected through three related interview surveys of labor contractors, their employees, and their client farm operators in five agricultural regions of California. More than 300 interviews were conducted, including 180 of FLCs, 92 of workers, and 30 of growers. Sampling was designed to obtain FLC respondents from all three agency lists (DOL registration, DIR licenses, EDD reports under SIC 0761) as well as some appearing on none of them.

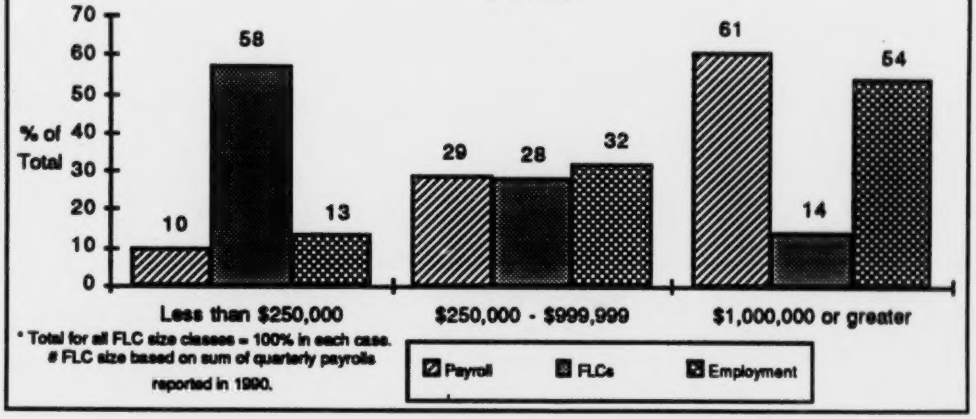
Location and firm size were the two other factors considered systematically in drawing the survey sample. EDD files indicate that total FLC payroll for 1990 was distributed across standard reporting regions as follows: San Joaquin Valley, 58.7 percent; South Coast, 14.8 percent; Central Coast, 12.2 percent; Desert, 10.3 percent; Sacramento Valley, 3.3 percent; other regions, 0.7 percent.

Balancing interests in representativeness and largest possible sample size with needs to stay within a fixed budget, we chose to concentrate the interviews in regions containing most of the FLC activity in California. The 180 interviews were allocated in six sets of 30, three sets for the San Joaquin Valley and one each for the South Coast, Central Coast, and Desert regions.

The San Joaquin Valley interviews were distributed between the southern and northern parts of the Valley. Fresno County, because of the large proportion of FLCs registered and conducting business there, was selected to represent the southern section as the "Fresno" survey region, and two sets of 30 interviews were allocated to it. The set of northern San Joaquin Valley interviews was assigned to San Joaquin and Stanislaus Counties, the "San Joaquin" region in this study. The three other survey regions are: "Imperial," including Imperial and part of Riverside Counties, and nearby Arizona; "Ventura," including Ventura and part of Santa Barbara Counties; and "Monterey," including parts of Monterey, San Benito and Santa Cruz Counties.

Within each study region the sample was stratified to the extent possible by business size, because larger contractors are far more important than their relative share in the population, as indicated by analysis of FLC payroll and employment data in the UI file. A clear majority (58 percent) of labor contractors had 1990 payrolls less than $250,000, but they accounted for only 10 percent of aggregate pay and 13 percent of employment by FLCs (see Figure B-2). Bigger operations have disproportionately large shares of aggregate wage payments and employment. The largest 14 percent of FLCs (with annual payrolls of $1,000,000 or more) account for three of five wage dollars and more than half of overall FLC employment.[13] This pattern is similar to the distribution of total agricultural production across farm size groups.

Figure B-2. Shares* of FLC Population, Employment, and Aggregate Wages, by Payroll Size#
California 1990
(Percent)



* Total for all FLC size classes = 100% in each case.
# FLC size based on sum of quarterly payrolls reported in 1990.

Number of FLCs in California, by UI-reported payroll size, and their aggregate wages are shown in Figure B-3. Aggregate employment by size is shown in Figure B-4. As indicated in Figure B-5, not only average employment but also average annual wages per job vary directly with size of FLC business. The smallest FLCs pay less than two-thirds of what the largest do for an average full-time equivalent job (which may be held by multiple persons over the course of the year).

We tried to select one-third of the sample from each of three size groups in every survey region. Reported payrolls in the UI file were used as the basis for stratifying FLCs on the EDD list. Contractors appearing on the DIR or DOL but not EDD lists could not be stratified by size.

In sampling FLCs who operated illegally, the first issue was whom to include in the population. A first criterion used was not having a state license issued by the Department of Industrial Relations. Federal registration with DOL is supposed to be prerequisite to obtaining a DIR license.

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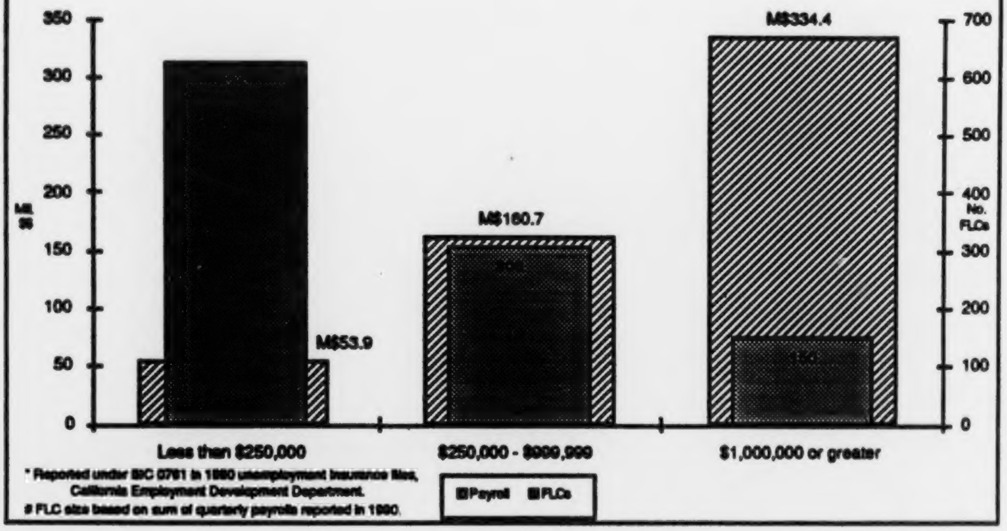
13. This relative concentration of jobs in the larger firms holds throughout the year. Only in September was monthly employment reported by the smaller (86 percent of) FLCs as much as half the total.

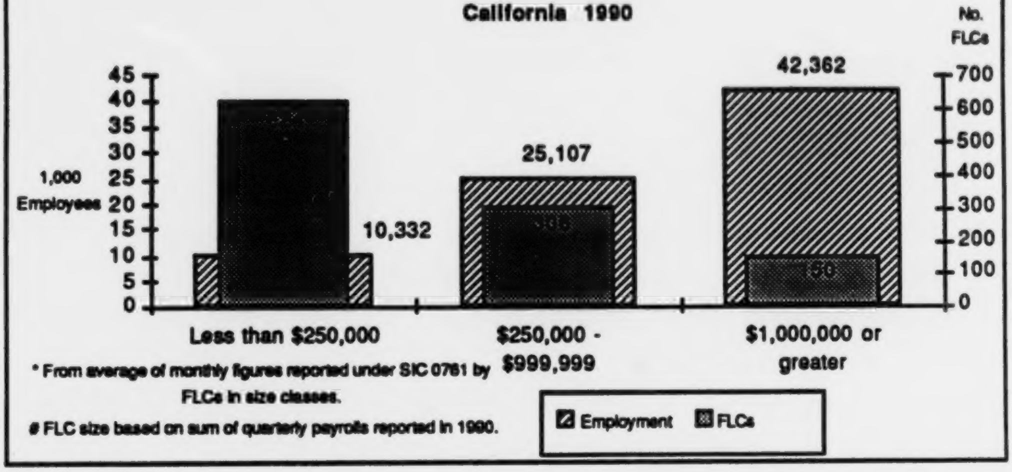
Figure B-3. Number of FLCs and their Aggregate Wages*, by Payroll Size#, California 1990



* Reported under SIC 0761 in 1990 unemployment insurance files, California Employment Development Department.

# FLC size based on sum of quarterly payrolls reported in 1990.

Figure B-4. Number of FLCs and their Aggregate Employment*, by Payroll Size# California 1990

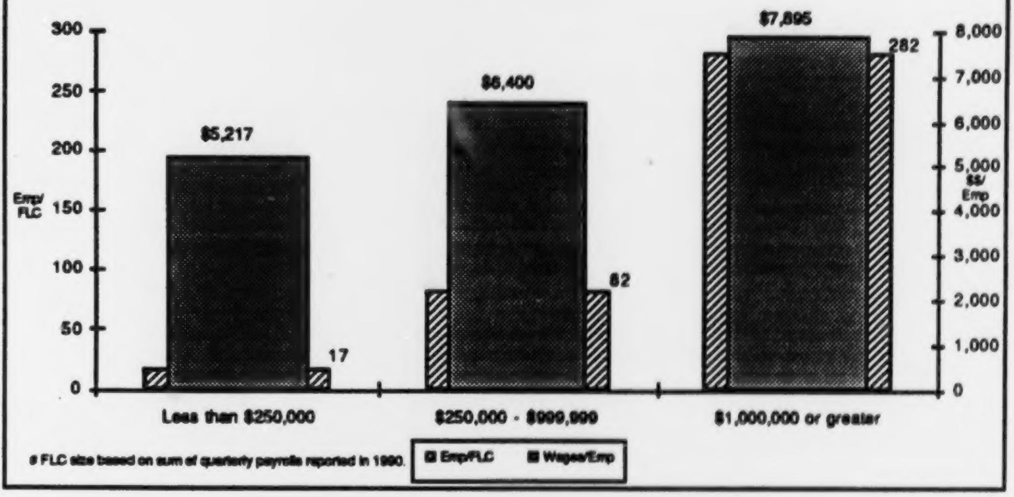


* From average of monthly figures reported under SIC 0761 by FLCs in size classes.

# FLC size based on sum of quarterly payrolls reported in 1990.

The state definition of who must obtain an FLC license is broad and includes day-haulers. Since this study centers on business practices, we excluded from survey consideration unlicensed operators who deal only with workers and have no direct business relationships with grower and packing house customers.

Figure B-5. Average Employment per FLC and Wages per Employee, by FLC Payroll Size#
California 1990



FLC size based on sum of quarterly payrolls reported in 1990.

Attempts to interview unregistered contractors met little success, and budgetary limits prevented us from further pursuits. Searches for 41 named persons led to interviews of seven unlicensed FLCs and two FLCs who were later found to be licensed. Of the remaining names, 16 were foremen who did not meet our second criterion (business relation with grower) for inclusion as an unlicensed FLC, 14 could not be found, and two refused to be interviewed.

The plan for obtaining data from different perspectives was to conduct interviews of two growers and four workers--two from each of two crews--associated with each of four FLCs interviewed in every region (plus an additional four in Fresno, which had an FLC sample twice as large as the other regions). Logistical problems combined with budgetary constraints kept us from fully realizing this design. In some cases fewer growers or FLC employees were interviewed, or growers and workers related to the same contractor could not be reached. Of the intended 24 FLCs for whom this process was to be carried out, workers were interviewed for 23 of them and growers for 20. In all, 92 workers and 30 growers were interviewed.

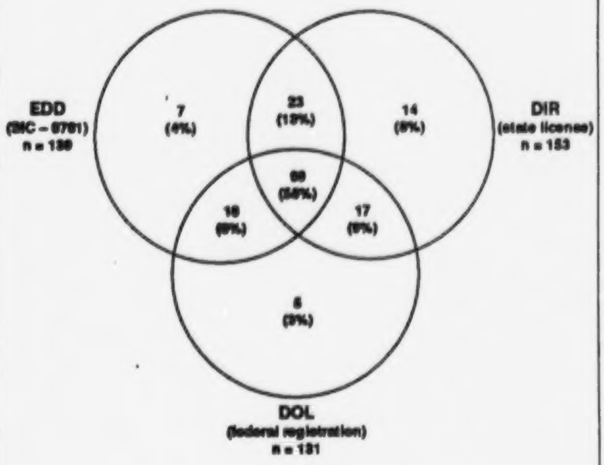
The original survey design had further specified that FLCs whose workers and growers were to be surveyed would include two licensed and two unlicensed contractors in each region. Since unlicensed FLCs were not interviewed in all regions, we were unable to fulfill this expectation. Of the 23 FLCs for whom associated workers and growers were interviewed, three (13 percent) were unlicensed.

Additional description of sampling procedures, the search for unlicensed FLCs, and other aspects of methodology are presented in Appendix 2.

3. Representativeness of the Sample

Distribution of the sample over the various combinations of agency listing status is shown in Figure B-6. A majority of FLCs interviewed (99) were on all three lists. Five appeared on none.

Figure B-6. Sample Representation as FLCs on Agency Lists



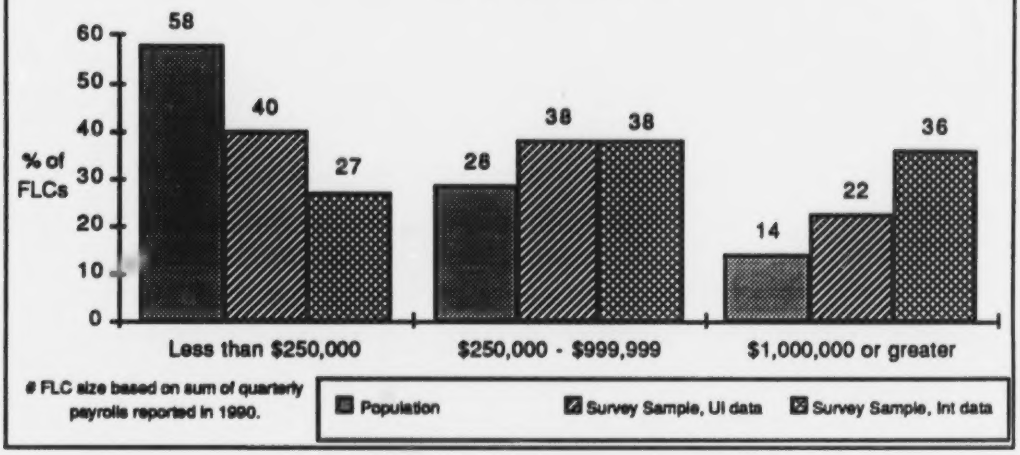
Total entities = 180

5 appear on no list

The present survey was designed to sample large, medium and small FLCs equally within each region. By size of annual payroll reported in interviews, the sample ranges from $10,000 to $15 million and divides roughly into thirds at the quarter-million and million dollar payroll levels (see Figure B-7). Somewhat less than a third (27 percent) of FLCs said that they had 1990 payrolls under $250,000, slightly more than a third (38 percent) that they had payrolls from $250,000 to $1 million, and a similar portion (36 percent) payrolls over $1 million.

Note, however, that classifying respondents by size according to UI file data (rather than interview responses) shifts the distribution to the left. The UI records show substantially lower payroll figures than FLCs themselves reported in personal interviews (see section D and Appendix 3).

Figure B-7. Shares of FLC Population and Survey Sample, by Payroll Size#, California 1990



# FLC size based on sum of quarterly payrolls reported in 1990.

Difficulties in locating FLCs on the random sample list necessitated use of the reserve list and possibly introduced a bias towards more established or "visible" FLCs. In arranging 180 FLC interviews, we attempted to contact a total of 418 names from the sample and reserve lists. Not counting 23 duplicates in this total, one-third of the different persons or entities on the lists could not be located. Most of them (1) had no phone number or had disconnected service; (2) had a post office box as their address of record in agency files; and (3) were not known to EDD Agribusiness Representatives or other FLCs in the area. (See discussion in Appendix 2, section 3.a on efforts to locate FLCs.) These "invisible FLCs" are underrepresented in the present study.

Refusals to cooperate in the survey were much less of a problem. Only five percent of all FLCs reached did not agree to an interview, and some of them explained that their not participating was due to business or personal necessity. A few FLCs were scheduled to be out of town when interviewers were in the region or were too busy with peak seasonal activity. One was in the hospital, and others had family emergencies.

4. Interviewer Observations of Farm Labor Markets in the Study Regions

Imperial

This labor market serves growers as far away as Tucson, providing workers that supplement local residents. The Imperial labor force is largely settled, though not all in the immediate vicinity. Most seasonal workers live in Mexicali and are hired or picked up at the border in Calexico on a daily basis. Though most workers have legal work authorization, few can afford to live in the U.S.

A typical worker living in Mexicali awakens at 1:00 or 2:00 A.M. and travels to the border. About one-half the workers live in the city of Mexicali and the other half in its surrounding area. Those who live in the countryside often have to take two buses to the border and then wait in line to cross, a journey which can take hours.

Once across the border, workers congregate in parking lots along the main streets of Calexico, where buses, vans, and cars of crew leaders (mayordomos) arrive in pre-arranged meeting places. Typically, the mayordomo has a roster naming people to be hired for the crew. Buses are entered first by workers whose names are on the roster, then filled up immediately with people who are waiting. Workers who arrive late run the risk of losing their jobs. As soon as the crew is full, the bus leaves.

The ride to such distant worksites as Tucson or Coachella may last three hours. Buses for these areas leave as early as 4:00 A.M. Many fields in the Imperial Valley, however, are close by, and the ride to them is short. Distance to the job is important to workers assessing its desirability, since travel time is not paid. Work typically starts at 7:00 A.M. in the winter and ends around 2:00 or 3:00 P.M., followed by a ride back to Calexico. Mayordomos distribute checks daily for the previous day's work. Workers then cash their checks, often paying a 1 percent fee to obtain pesos, wait in line to cross the border, and travel home.

Long-time workers express great bitterness at being paid $4.25 or $4.50 per hour to harvest lettuce or do some similar job which used to pay much more. Several workers also noted a growing reluctance of Mexicali residents to migrate north with the crops, which would tend to increase their participation (and competition for jobs) in the Calexico labor market. However, three of the four FLCs for whom we interviewed workers took crews of workers to other parts of California, such as Salinas and the San Joaquin Valley.

In an earlier period, most hiring was direct by growing and harvesting firms, which owned fleets of buses to transport the workers. Today most field employment is through farm labor contractors. An interesting aspect of the Imperial market is the large size of FLCs and the relative independence of mayordomos. Mayordomos work for different FLCs, depending on who has work available. Like the workers, they sometimes find new employers on a daily basis. The FLC tells the mayordomo where the job is and how big a crew is needed. The mayordomo hires the workers, transports them, and supervises in the field. Detachment of FLCs from workers is generally greater in Imperial than other regions.

Ventura

As with Imperial, the farm labor market on the south coast has restructured around greater use of FLCs, particularly in citrus harvest. The citrus packing houses used to hire and transport most workers through harvesting associations. FLCs now work mainly under contract with the growers, although some are hired and paid by packing houses.[14] A few ranches with large acreage have set up as independent companies "captive FLCs" that harvest chiefly or solely for them.

Most citrus workers live in the Santa Paula area year-round. Citrus work lasts much of the year--lemons are picked for 11 months, so the labor force that performs it tends to be settled, and many workers have been in the industry for a long time.

There is also considerable work done by FLCs on the Oxnard plain in vegetables, such as celery and broccoli. This work is now most commonly paid on an hourly basis, and it employs largely a settled labor force living in Oxnard.

Monterey

The Salinas Valley has traditionally been an agricultural region with relatively high wages and union-influenced terms of employment. Production is year-round, and a settled labor force has developed in the area. Workers report being discouraged by their employers from taking time off to visit or return to Mexico.

There was a major shift in the 1980s from direct employment to use of FLCs. Long-term residents say that wages and job security have decreased. While farm labor contractors have long been hired for seasonal and supplemental work, such as hoeing and thinning, they have been increasingly used in harvesting work.

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[14] Jack Lloyd, Philip L. Martin, and John Mamer, *The Ventura Citrus Labor Market*, Giannini Information Series No. 88-1, University of California, 1988.

Fresno

Although Fresno agriculture is extremely diverse, the seasonal fluctuations in demand for farm labor are great. The seasonality and volume of agricultural production have led to higher turnover of workers and more new arrivals in the labor force. The FLCs in the area have evolved to deal with this reality. FLCs and their foremen and other employees are largely responsible for transportation of seasonal workers. A widespread system of "raiteros" has displaced virtually all other forms of transportation to the fields for workers.

Unlike in the coastal regions, the increased use of FLCs in this area seems unrelated to experience or threat of unionization for the most part. Contractors have become important in such highly seasonal tasks as raisin grape harvesting, which never experienced unionization. In tree fruit harvesting, FLCs are used as supplemental to packing house-hired crews, although some firms rely on FLCs for their entire operations, including packing house work.

San Joaquin

This area appears to be least affected by changing use of FLCs. Contractors have been used for many years to harvest tree fruit and perform other seasonal tasks. The growers interviewed reported long-standing use of contractors for these tasks. Workers in fresh tomato harvesting have been the principal focus of union organizing efforts in the region. There has been a shift from shipper-hired crews to contractors in this crop. Smaller family farms have been little affected by union activity.

A locally settled labor force works in tomatoes and some tree fruit. Many migrating workers come to work in this area during apricot and cherry picking seasons.

C. Characteristics and Backgrounds of FLCs

1. Personal Attributes

If we were to describe a typical FLC by modal characteristics, he would be a male Hispanic in his late 40s, probably born in Mexico but quite possibly in the United States. He speaks Spanish at home and speaks, reads, and writes English. Nevertheless, there is considerable diversity around this norm.

As shown in Table C-1, only 14 percent of FLCs interviewed are female. Most are Hispanic, but 13 percent are Anglo and 4 percent of other ethnicity. No African-American FLCs were in the interview sample. A bare majority was born in Mexico, nearly half in the U.S. and 4 percent in other countries. California is the most common birth state followed by Michoacan, Mexico (13 percent), Texas (10 percent), and Jalisco, Mexico (8 percent).

Table C-1. Personal Attributes of FLCs by Region

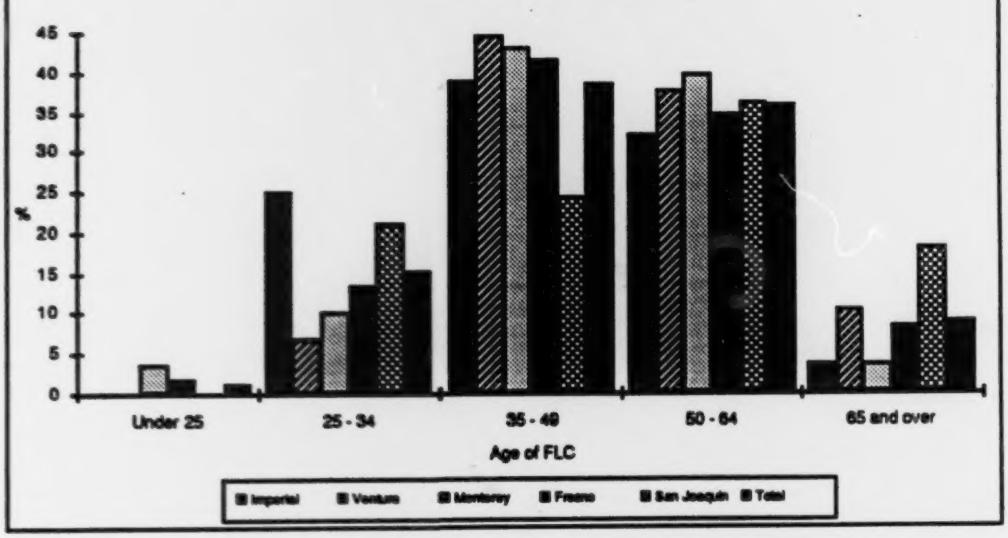
	Total Sample	Imperial	Ventura	Monterey	Fresno	San Joaquin
	N = 180	N = 28	N = 29	N = 30	N = 60	N = 33
Gender						
% Male	86	86	93	87	85	82
Ethnicity						
% Hispanic	83	64	90	93	83	82
% Anglo	13	36	10	3	13	6
Birth Place						
% Mexico	50	39	72	50	35	67
% U.S.A.	46	61	28	47	62	21
% California	26	39	17	27	27	18
% Michoacan	13	4	24	7	8	24
Age						
Mean Years	47.83	44.54	49.69	45.90	48.25	50.00
Median Years	47.00	40.00	48.00	45.00	47.00	47.00
Speak English						
% Well	59	75	52	50	70	42
% Fair	22	14	28	33	15	27
% Poor/None	18	11	21	17	15	30
% Speak English at Home	42	61	38	43	47	21
Education						
Mean U.S. Years	6.19	10.43	4.39	5.20	7.17	3.24
Mean Mexican Years	2.96	2.43	5.39	3.20	1.43	3.88
% Mexican	46	29	76	47	32	58
% U.S. HS Graduate	33	61	21	33	37	15
% U.S. College	23	46	14	20	25	9

The largest proportion of female FLCs is in San Joaquin and the lowest in Ventura, where many contractors work in citrus. More than a third of Imperial FLCs are Anglo. Fewest Anglo contractors are found in Monterey and San Joaquin. San Joaquin has the most contractors of an ethnicity other than Hispanic and Anglo.

Imperial and Fresno have the highest proportion of U.S.-born FLCs . Ventura and San Joaquin have the most foreign-born contractors, almost three-fourths of FLCs in Ventura being Mexican natives. Two-thirds of San Joaquin contractors were born in Mexico, and 12 percent were born in other countries outside the U.S. About one-quarter of the contractors in Ventura and San Joaquin were born in Michoacan. One-fifth of Fresno contractors were born in Texas.

Ages range from 22 to 86. The average age of FLCs is 48, somewhat lower in Imperial and Monterey regions and higher in San Joaquin. Somewhat more than one-third of the FLCs are in each of the 35-49 and 50-64 age groups (Figure C-1). Imperial and San Joaquin have more younger FLCs (ages below 35) and San Joaquin also has more older ones (ages above 64) than other counties.

Figure C-1. FLCs in Age Groups, by Region



The main language used at home by a majority (56 percent) is Spanish, and it is English for 42 percent. Interviewers rated the English-speaking abilities of FLCs as good for almost 60 percent, fair for 22 percent, and little or none for 18 percent. FLCs rate their own reading and writing abilities lower. Slightly less than half claim to read and write English well and a third claim little or no English reading and writing ability.

Although the average grade level completed is low, some FLCs are well-educated. Average time spent in school is 6.2 years in U.S. schools and 3.0 years in Mexican schools. FLCs' schooling ranges, however, up to 18 and 15 years in U.S. and Mexican schools respectively. One-third have completed high school in the U.S., and nearly a fourth have some college experience here. Two percent have 12 or more years of schooling in Mexico. About one-fourth of FLCs in Ventura, Fresno, and San Joaquin were educated in Mexico only. Fewer contractors in Imperial and Monterey received all their schooling in Mexico.

Average U.S. schooling of FLCs is highest in the Imperial subsample and lowest in San Joaquin. The San Joaquin group, however, has more Mexican schooling than Imperial. Ventura region contractors have the most years in Mexican schools.

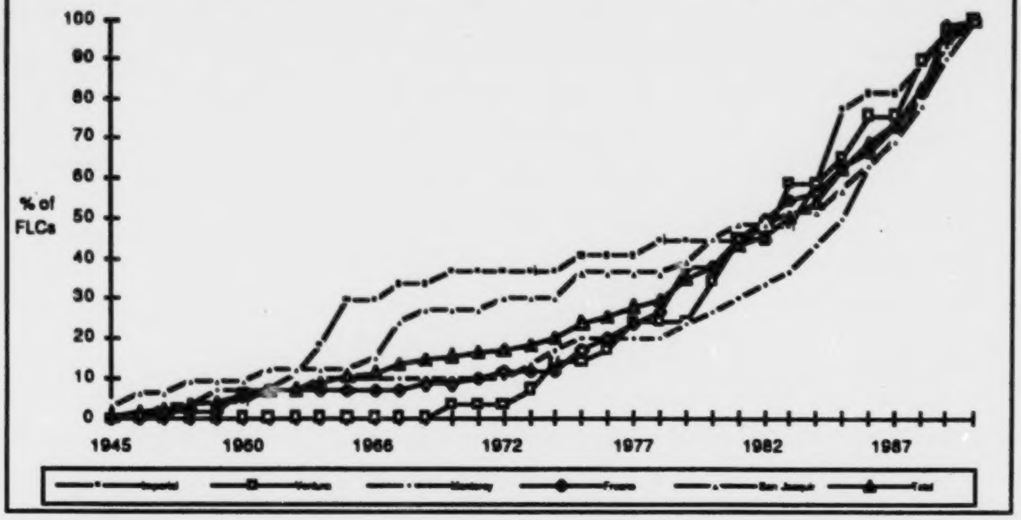
2. Previous Experience and Reasons for Becoming an FLC

Almost one-third of survey respondents have been contractors for fewer than 5 years. About half that many have been FLCs for 20 years or more (Table C-2). Cumulative portion of the survey sample entering the FLC business, by year and region, is shown in Figure C-2. The average year of starting work as an FLC was 1980. In Imperial Valley it was earlier (1977) and in Ventura more recent (1982).

Table C-2. Years in FLC Work

	% of Respondents
Fewer than 5 years	31
5 to 9 years	26
10 to 19 years	27
20 to 29 years	11
30 or more years	4

Figure C-2. Cumulative Portion of Sample in FLC Business, by Year of Entry and Region



The average first year of registration as a contractor with the U.S. Department of Labor (required by law since 1965) was 1982. Most respondents obtained their first state license in the same year as their first federal registration. Few (13 percent) reported ever working under a state license in any other name.

Becoming a FLC is often a means for improving income and occupational status in agriculture. Immediately prior to becoming FLCs, most respondents (79 percent) were in agricultural work. A few were in education and government (5 percent in each) and nonfood manufacturing (4 percent). Two-thirds were in some type of supervisory position, such as foreman, manager, or supervisor. Almost a quarter, however, moved directly from being field workers to FLCs. Relatively few entered the contracting business from nonagricultural work. Seven percent had owned a business and three percent were students. Some of the latter had gone to college and then returned to run the family contracting business.

The reason FLCs cited most often for going into the labor contracting business is to become self-employed (28 percent). Other common reasons were to increase income (17 percent) and because of family ties to the business (14 percent). Survey respondents cited a wide variety of other reasons for entering this occupation. Numerous comments from FLCs referred to growers and packing house managers encouraging them to get into the business.

A large majority of FLCs (81 percent) had performed field work for at least one year and 60 percent for at least five years (see Table C-3). Average number of years in field work was 9.6 years for those who had any such experience. The highest regional average was in San Joaquin, and the lowest in Imperial. Most contractors (78 percent) had also worked at some time as a foreman or supervisor in agriculture. Average duration of experience in one of these positions was more than 9 years, though notably less in San Joaquin.

Table C-3. Previous Experience of FLCs, by Region

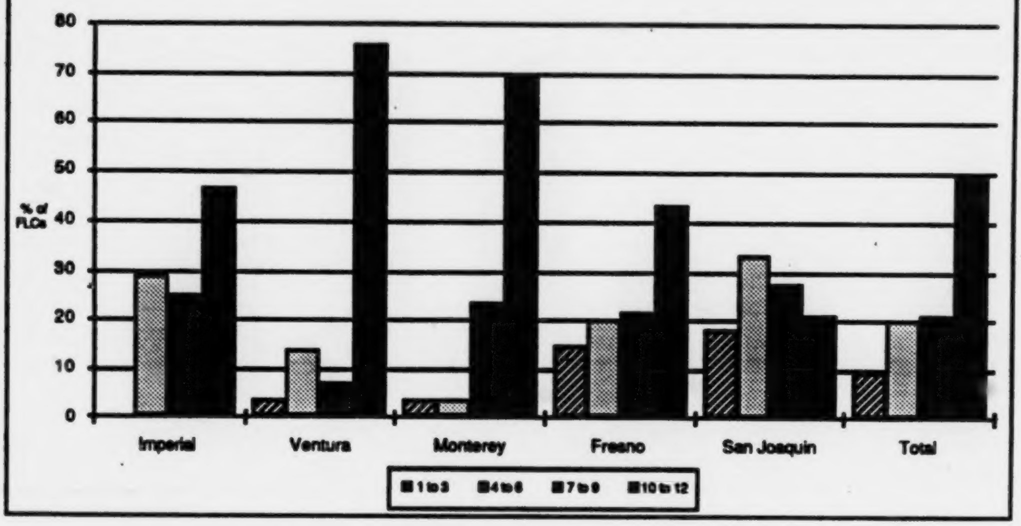
	Total Sample	Imperial	Ventura	Monterey	Fresno	San Joaquin
	N = 180	N = 28	N = 29	N = 30	N = 60	N = 33
Field Worker						
% With experience	81	71	79	90	78	88
Mean years	9.58	7.60	9.61	9.07	9.64	11.28
Ag. Foreman						
% With experience	78	68	66	83	80	88
Mean years	9.33	10.74	10.21	10.12	9.00	7.69
Grower/Manager						
% With experience	28	46	28	13	35	12
Mean years	11.00	8.38	12.13	6.75	14.10	5.25
Non-Ag. Supervisor						
% With experience	20	33	7	21	23	12
Mean years	6.17	8.67	3.00	7.00	5.36	3.75

More than one-quarter of FLCs interviewed had been growers or farm managers, for from 1 to 51 years. Twenty percent had been supervisors or managers in nonagricultural work, their experience ranging from one-half to 25 years. The statewide average number of years as a grower or manager was 11 for those with such experience, considerably less in Monterey and San Joaquin Counties.

3. Other Work of FLCs

Respondents perform labor contracting activity for an average 8.7 months per year. A third work as FLCs in all 12 months. Slightly fewer work 6 months or less, and about one-half up to nine months (Figure C-3). The average FLC year is longest in Monterey (10.3 months) and Ventura (10.1 months), shortest in San Joaquin (6.8 months), and between these extremes in Fresno (8.2 months) and Imperial (9.1 months).

Figure C-3. Months of Work as an FLC in 1990, by Region



Nearly two-thirds of FLCs operate other businesses, most related to agriculture (Table C-4). Their agricultural enterprises include farming, custom harvesting, trucking, operating farm management companies and packing operations. Some FLCs who were first farmers started contracting to help their workers stay employed locally while not needed on their own farms. Nonagricultural businesses include rental housing (i.e., labor camps and residential houses), and restaurants or bars.

Table C-4. FLCs Operating Other Businesses, By Region

Other Business	Total Sample	Imperial	Ventura	Monterey	Fresno	San Joaquin
	N=180	N=28	N=29	N=30	N=60	N=33
	%	%	%	%	%	%
No Other Business	37.2	21.4	44.8	43.3	31.7	48.5
Farming	32.2	35.7	24.1	23.3	43.3	24.2
Custom Harvesting	27.8	64.3	17.2	36.7	15.0	21.2
Farm Management	11.7	21.4	6.9	10.0	15.0	3.0
Trucking Ag. Products	23.9	46.4	31.0	23.3	20.0	6.1
Packing Shed/House	6.1	21.4	3.4	3.3	1.7	6.1
Rental Housing	15.0	17.9	13.8	13.3	13.3	18.2
Restaurant/Bar	4.4	7.1	3.4	0.0	5.0	6.1
Other	12.8	25.0	6.9	3.3	11.7	18.2

Note: Multiple mentions accepted.

The proportion of contractors engaged in other businesses varies greatly by region. In Imperial a significantly larger group are engaged in non-FLC parts of the agricultural infrastructure. Two-thirds are custom harvesters, nearly half have trucking businesses, more than a fifth own farm management companies, and an equal number own packing sheds. One-quarter run other businesses. The other notable differences by region are relatively high proportions of FLCs who have custom harvesting operations in Salinas or own trucking companies in Ventura. In Fresno, more than two of five contractors operate farms of their own.

In the San Joaquin region, where the contracting season is shortest, FLCs own fewer other businesses. Their rates of involvement are lower than the statewide average in every business noted except rental housing and bars and restaurants. A greater than average portion there work as agricultural employees during the off-season. Their limited involvement in other businesses, along with relatively low annual payrolls, may result partly from less certain livelihoods or less established FLC businesses.

More U.S.-born than foreign-born contractors own other businesses. Almost two-thirds of the contractors who own farms, custom harvesting companies or trucking companies were born in the U.S., one-third in Mexico. Three-fourths of FLCs who own farm management companies are U.S. born. Foreign-born contractors are more heavily represented (about half) among those who own packing sheds or packing houses, rental housing, and restaurants or bars.

Nearly two-thirds of FLCs spend their noncontracting months preparing for the next season. Many work in other businesses during the off-season. Logically, more FLCs in regions with a shorter season (Fresno and San Joaquin) work in other businesses during the off-season than those in the coastal regions, where agricultural production continues nearly year-round (Table C-5). A few FLCs work as agricultural employees during their contracting off-seasons. The highest proportions are in Salinas and San Joaquin.

Table C-5. Activity of FLCs When Not Contracting*

	Total Sample %	Imperial %	Ventura %	Monterey %	Fresno %	San Joaquin %
Prepare for Next Season	63	56	62	67	60	70
Agricultural Employee	12	6	8	17	11	17
Other Business	41	31	15	17	53	47

*Multiple answers accepted.

4. Family Participation in the FLC Business

It is quite common for family members of an FLC to work in the business. About two-thirds of contractors have family members involved. A quarter of respondents have only one relative in the business, and 43 percent have 2 or more, ranging all the way to 20. Many FLC wives and daughters handle bookkeeping or other office functions. FLC brothers, fathers, husbands, sons, and other male relatives often supervise the field work. The tasks most frequently performed by family members are bookkeeping and accounting (60 percent of FLCs), other office work (69 percent), and field supervision (59 percent).

Nonsupervisory field work by family members is also common, though much less so than office and supervisory tasks. Some 23 percent of FLCs in the overall sample have family members working in field tasks. This finding gives but little support to the conception of an FLC as leader of a family crew that travels and works together. Average number of family members in the FLC business is less than 2. More FLCs in San Joaquin have family members as field supervisors (71 percent) and general field workers (33 percent) than in most areas of the state. Fewer there have family members responsible for bookkeeping and accounting (43 percent) and other office work (48 percent) than in the other regions.

Family involvement in the Imperial Valley is also high but more concentrated in the supervisory and office jobs. While 71 percent of FLCs have family members as field supervisors (as in San Joaquin), 67 percent have relatives handling books or accounting and 79 percent other office work. Few Imperial contractors employ family members as field workers (14 percent).

D. Organization of the FLC Business

1. Size of FLC Organization

While the total amount of FLC activity has been increasing in California, individual contracting businesses expand and contract. Almost half in our sample had higher annual payrolls in 1990 than in 1989, and 22 percent reported lower payrolls in 1990. About half of FLCs (48 to 52 percent) report higher 1990 payrolls in all regions except San Joaquin, where about one-third did. More FLCs in San Joaquin reported lower 1990 payrolls (29 percent) than in other regions (14 to 26 percent).

FLC operations vary greatly in size, both between and within regions (see Table D-1 and Figure D-1). Annual payrolls reported in the survey range from $10,000 to $15 million and average $1.2 million overall. They are highest in Imperial (average $1.7 million) and lowest in San Joaquin ($.5 million).

Table D-1. FLCs in Survey Sample, by Payroll Size and Region

	Total Sample		Imperial		Ventura		Monterey		Fresno		San Joaquin	
	N= 165	100%	N= 25	100 %	N= 28	100 %	N= 28	100 %	N= 56	100 %	N= 28	100 %
Payroll Size												
Less than $250,000	44	26.7	3	12.0	5	17.9	2	7.1	18	32.1	16	57.1
$250,000 - $999,999	62	37.6	12	48.0	14	50.0	9	32.1	19	33.9	8	28.6
$1,000,000 or more	59	35.8	10	40.0	9	32.1	17	60.7	19	33.9	4	14.3
Mean Payroll (Thousand $$)	1,172		1,660		1,083		1,530		1,177		458	
Median Payroll (Thousand $$)	537		700		700		1,138		500		201	

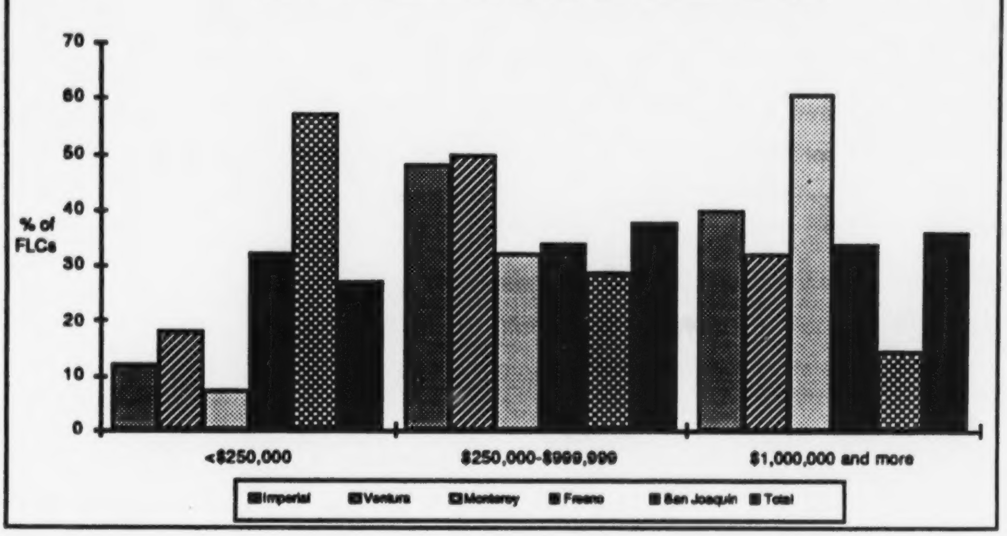


Figure D-1. FLCs in Survey Sample, by Payroll Size and Region

The sample can be divided roughly into thirds, with 27 percent of FLCs having 1990 payrolls less than $250,000, 38 percent with payrolls from $250,000 to $1 million, and 36 percent $1 million or more. This split follows from the stratified sampling plan, through which equal numbers of small, medium and large businesses were sought.

The sample can also be divided into thirds with respect to peak employment in 1990 (Table D-2 and Figure D-2). Roughly similar proportions of respondent FLCs employed fewer than 100, 100-249, and 250 or more workers at peak activity during the year. Peak 1990 employment averaged 280 and varied from 2 to 2,500. As with payroll, Imperial had the highest average peak employment (487) and San Joaquin the lowest (147).

Table D-2. FLCs in Survey Sample, by Peak Employment and Region

	Total Sample		Imperial		Ventura		Monterey		Fresno		San Joaquin	
	N= 179	100%	N= 28	100%	N= 29	100%	N= 30	100%	N= 60	100%	N= 32	100%
Peak Employment												
Less than100	62	34.6	7	25.0	17	58.6	9	30.0	14	23.3	15	46.9
100 - 249	47	26.3	7	25.0	4	13.8	8	26.7	16	26.7	12	37.5
250 or more	70	39.1	14	50.0	8	27.6	13	43.3	30	50.0	5	15.6
Mean Peak Employment	280		487		175		330		279		147	
Median Peak Employment	150		240		85		188		238		100	

Worker turnover is frequent in FLC employment, partly reflecting the limited duration of tasks for which contractors are engaged. The number of different workers hired for some time in a year may be several times greater than the average number and even the maximum number of jobs in the business. The total number of individuals hired by respondent FLCs in 1990 (total number of W2s filed) averaged 1,027, which is 3.7 times the average peak employment.

Roughly one-third of the FLCs employed fewer than 250 different workers at some time during the year, one-third employed 250-999, and one-third employed 1000 or more. Imperial Valley FLCs had not only the greatest average number of workers (2,154) but also the largest ratio of total workers to peak employment (4.4). San Joaquin, with smaller peak employment and total worker numbers (average 623), had a similarly high "turnover" ratio (4.2). The lowest regional ratio (2.7) was in Salinas Valley, where the vegetable harvest season lasts several months and employees of some locally based firms follow the harvest year through other regions.

We compared the survey responses cited above to data collected in EDD Unemployment Insurance tax files. Total payroll declared in the interviews exceeds the total recorded for the same FLCs in UI files by 61 percent for the SIC-0761 group, 22 percent for the non-0761s, and 52 percent overall. However, the total difference between peak employment reported in interviews and maximum monthly employment in

UI records is very small. The aggregation of numbers into such a total, however, masks many offsetting discrepancies associated with individual employers. Appendix 3 presents case-by-case comparisons in tabular form, and Figures D-3a, D-3b, D-4a, and D-4b graphically show the magnitude and direction of these individual differences, grouped by region (for both the entire sample and for only those FLCs reporting under SIC-0761). We are reluctant to draw conclusions from this basic examination, because there are many potential explanations for the discrepancies found. Accuracy of the UI files warrants further analysis.

2. Staffing

Most FLCs hire a foreman (mayordomo) to supervise each crew they employ. In the smallest operations, the FLCs themselves supervise one or sometimes two crews. The numbers of crews and foremen fluctuate with the seasons, sometimes decreasing to zero in off-months. The average number of foremen employed at peak activity was 7.7 in 1990. One contractor had as many as 62 foremen at peak, but six percent employed none and 44 percent had from one to five.

About 80 percent of the FLCs had foremen they kept employed during their whole working year. While they employed an average of 3.9 foremen on a year-round basis, 28 percent had only one or two, and only a quarter had 5 or more. FLCs in Imperial Valley average the highest number of foremen--12.3 at peak and 6.3 year-round. Fresno had the next highest average--8.1 at peak, 3.9 year-round--and San Joaquin the lowest--4.4 at peak and 2.1 year-round.

A second level of supervision is used in large operations to manage groups of foremen. Though some 40 percent of FLCs employed such supervisors at peak activity in 1990, 21 percent (of the total) had only one and 10 percent had two. One-third of the FLCs we interviewed employed supervisors on a year-round basis or through their entire working season.

Office staff size ranged up to 7, and only two percent of FLCs had no office employees at peak season in 1990. A majority (56 percent) had one or two office staff.

3. Administration of the Business

Few FLCs handle all the administrative aspects of their business (see Table D-3). Of the various administrative tasks, contractors themselves more commonly handle those closely connected to worker relations, such as completing I-9 forms required by IRCA (29 percent of FLCs) and keeping track of employee hours and production units used to compute wages (23 percent). More FLCs in Ventura handle these tasks themselves than in other regions (59 and 38 percent respectively).

In only the smallest operations do FLCs personally prepare payrolls, keep financial books, and complete reports for government agencies. These tasks are handled more often by family members, hired office staff, or outside (independent) professionals. Spanish speaking accountants and bookkeepers specializing in FLC accounts are numerous in the Fresno and San Joaquin regions. Accountants or bookkeepers (employees or outside service) keep the books and prepare W-2 forms and government reports for 59 to 66 percent of FLCs. Family members handle this work for about a fifth of FLC firms, and 8 to 16 percent of contractors do it themselves.

Payroll is prepared most commonly by family members, hired or outside accountants and bookkeepers. Family members more often prepare payroll in Fresno (39 percent) than in other regions. Hired accountants prepare payroll for a large proportion of Monterey FLCs (40 percent), and outside accountants most commonly handle payroll in Ventura (41 percent). Foremen and supervisors record hours and worker production for about one-fourth of FLCs and complete the I-9 form for about one-fifth.

Table D-3. Responsibility for Administrative Work in FLC Businesses

	FLC	Foremen & Supervisors	Family Member	Hired Acc't/ Bookpr	Outside Acc't/Bookkpr	Grower/ Pack'g House
Worker Hr/Output Records	23	26	18	21	11	0
Payroll Preparation	19	1	27	26	23	1
Completing I-9 Forms	29	19	19	23	3	2
Bookkeeping (Inc & Exp.)	16	1	22	21	38	2
Preparing W-2s, W-3s	8	0	22	26	41	2
Other Gov't Reports	12	1	21	21	42	2

The computer has become the principal medium for handling production and payroll records (used by 86 percent of FLCs), and is almost as widely used for personnel records (78 percent). Computers are used most in Imperial, where all FLCs keep production and payroll and 95 percent keep personnel records on computer, and least in San Joaquin, where a large majority nevertheless use them (73 percent for production and 67 percent for personnel records).

4. Equipment

A contractor can operate with little or no capital investment. The equipment most commonly owned by FLCs in this survey is the pick-up truck. More than three-fourths own at least one pick-up, and the largest fleet among them is 15. Two-thirds own field toilets with attached hand-washing facilities. Maximum number of toilets owned is 60. Many contractors rent some or all of the field toilets they use.

Few contractors own vans (7 percent) or buses (11 percent) for transporting workers. Bus ownership is most common in the Imperial Valley, where many contractors pick up workers at the Calexico border in early morning hours. While Imperial Valley FLCs own an average of 3.7 buses (ranging to as many as 48), Ventura respondents report owning no buses at all. In Salinas, FLCs own up to 19 buses and average 2.2.

About a fourth of FLCs own tractors and equipment for harvesting and hauling crops. Like buses, this equipment is most commonly owned by contractors in the Imperial Valley, where two-thirds of contractors also have custom harvesting businesses (largely in vegetable work). In Fresno, where it is customary for FLCs to haul wine grapes harvested by their crews, contractors own an average of 18.8 pieces of harvest equipment, twice the statewide average of 9.2.

E. Market Niche and Grower Relations

1. Number of Customers

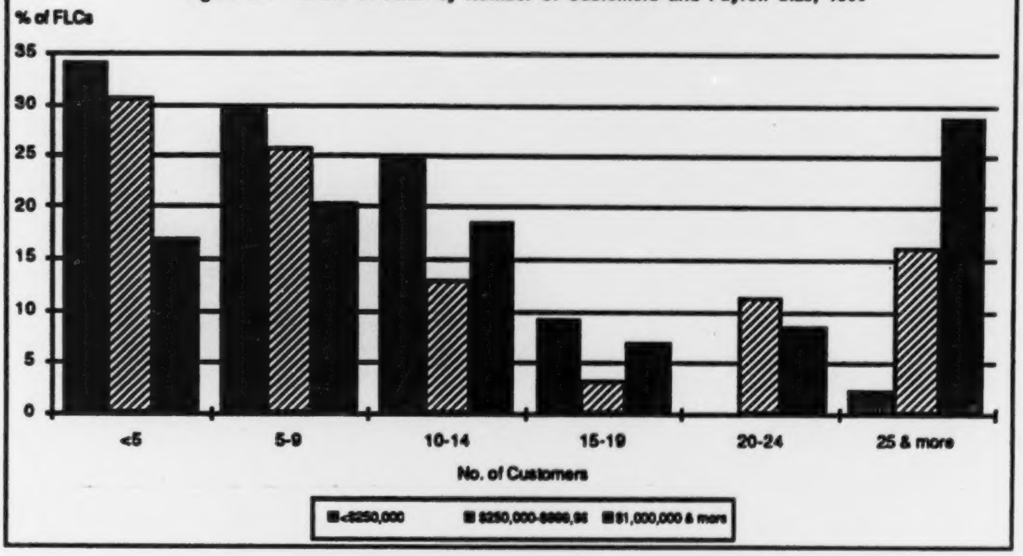
Contractors in the survey did business with from 1 to 215 growers and packing houses in 1990. Average number of customers served was 15, and most FLCs (70 percent) had 12 or fewer customers (Table E-1). Size of FLC operation is a function of not only number of customers but also the size of customers' operations. Accounts with a few large growers or packing houses, for example, can generate more employment and revenue than contracts with numerous growers who cultivate small parcels.

Table E-1. FLC Customers and Payroll, by Region

	Total	Imperial	Ventura	Monterey	Fresno	S. Joaquin
Average # of Customers	15.3	11.2	20.0	8.6	20.6	10.9
Average Payroll ($ millions)	$1.2	$1.7	$1.1	$1.5	$1.2	$.5

Three notable patterns of FLC-customer alignment are observable in the survey results (see Figure E-1). In the first two the scale of FLC businesses tends to match that of growers for whom they work (i.e., large FLCs serving a small number of large growers; small FLCs serving a small number of small farmers). Some large FLCs have their business concentrated with a few very large growers, sometimes only one. About one in six large FLC operations have fewer than five customers, and 37 percent fewer than ten. This pattern is most prevalent in the Imperial and Monterey regions (Figure E-2), where half of respondents have five or fewer customers, the average number of customers is relatively low, and average payroll is high.

Figure E-1. Share of FLCs by Number of Customers and Payroll Size, 1990



At the opposite extreme are the very small FLCs who serve a small number of small farms. Thirty-four percent of small FLC businesses have fewer than five customers, 64 percent fewer than ten. They are most common in San Joaquin, where the average number of customers and payroll are both low. A third type is the large FLC who serves many growers. Almost 30 percent of large FLC operations have 25 or more customers. This pattern is most observable in Fresno, where the average number of customers is 20, about twice the average in San Joaquin, Imperial and Monterey. Fresno does contain a larger population of farmers and produces crops requiring large amounts of labor for brief periods.

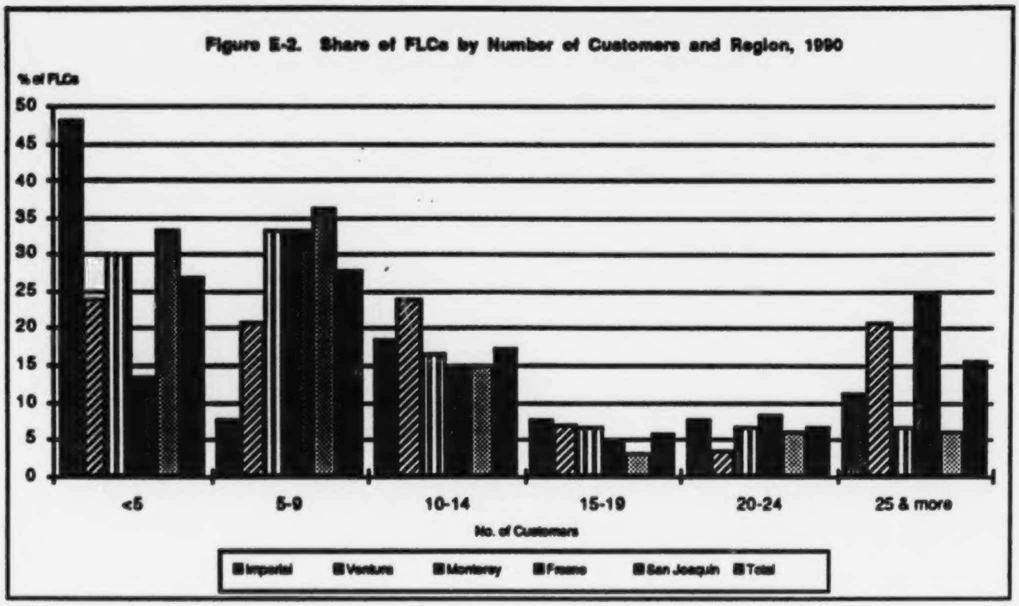


Figure E-2. Share of FLCs by Number of Customers and Region, 1990

2. Longevity of Customer Relationships

A measure of the stability of relationships between FLCs and their customers is the ratio of returning customers to total customers. The proportion of 1990 customers for whom respective contractors had worked at least three years is the basis of categories (first column) over which FLCs are distributed in Table E-2. High percentage categories represent a high degree of clientele stability. Interpretation of a low ratio is less straightforward. It may indicate either FLC growth through addition of new customers or high turnover of the FLC customer base.

Among FLCs who have been in business for three years or more, 42 percent had worked for all of their 1990 customers for three years or more. Nearly 80 percent had worked for a majority of their customers that long. By this measure, clientele stability was greatest in Imperial and Monterey and lowest in Ventura. Ventura has by far the most contractors with no three-year customers, and Imperial and Monterey the least.

Table E-2. FLCs with 3-Year Repeat Customers in 1990 Clientele

	Total Sample	Imperial	Ventura	Monterey	Fresno	San Joaquin
	N=180	N=28	N=29	N=30	N=60	N=33
In Business for 3 years or more (# FLCs)	149	24	26	24	49	26
(% FLCs)	82.8	85.7	89.7	80.0	81.7	78.8
No 3-year Customers (% FLCs)	4.7	0.0	15.4	0.0	4.1	3.8
Half or more 3-year Customers (% FLCs)	79.2	91.7	69.2	83.3	77.6	76.9
100% 3-year Customers (% FLCs)	42.3	45.8	34.6	58.3	36.7	42.3
Average % of 3-year Customers	74.74	82.30	68.45	82.12	71.87	72.67

On the whole, contractors gained more new customers (average 2.4) than they lost (average 1.0) in 1990. Imperial and Salinas regions were the most stable, where FLCs gained 1.2 and 1.1 new customers respectively and lost .6 and .3 customers on average. Contractors in Ventura had the largest gains, averaging 4.2 new customers each. San Joaquin FLCs had the largest losses, with an average 1.8 customers from 1989 taking their business elsewhere in 1990.

Respondent contractors were reluctant to discuss their revenues. Of the one-third who did answer our question about change in gross revenue from 1989 to 1990, slightly more than one-quarter report that their revenues grew, 14 percent that revenue decreased, and more than half that there had been no change. Because the rate of response to the question was low (only about one-third of FLCs), these results may not be representative.[1]

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[1] Large FLCs were more likely than small ones to answer the question, and their responses showed greater volatility (revenue increase or decrease) than those of small FLCs.

3. Why Growers Hire FLCs

To what do FLCs attribute grower interest in hiring them? Reasons most frequently cited were to reduce the amount of paperwork (39 percent); because growers could not or did not want to find workers any other way (10 percent); and to reduce production costs (8 percent) Few thought they were hired to improve quality or productivity (Table E-3). Growers responding to an earlier mail survey in the Salinas Valley mentioned several of the same considerations.[2] About half of them cited desire to reduce each of paperwork, costs, and supervisory responsibilities. Growers who had turned to FLCs most recently (between 1985 and 1989) put somewhat more emphasis on reducing costs and improving quality or productivity.

Table E-3. FLC Attribution of Why Growers Hire Them (% of FLCs)

Reason	Total	Imperial	Ventura	Monterey	Fresno	San Joaquin
Reduce paperwork	39	29	10	37	55	49
Can't find other ways	10	4	10	7	12	15
Reduce prod. costs	8	7	13	13	5	6
Reduce liability	7	11	4	3	10	3
Reduce supervision	6	11	4	7	3	6
Labor/mgt. dispute	4	0	17	3	2	0
Have workers timely	4	7	0	3	2	9
Language	2	4	0	0	2	3
Short-term employmt.	2	0	4	0	2	3
Improve quality	1	0	0	0	2	3
Other	17	29	38	27	7	3

Reasons given by FLCs in the present study vary by region. In all regions except Ventura, reducing paperwork was their most common attribution of growers' motivation. Reducing costs was cited by five to 14 percent of respondents in each region but most often in Ventura and Monterey, the highest wage regions in the state. In Fresno more than half of the contractors (55 percent) said growers hired them to reduce paperwork. Several plausible explanations for this high proportion can be found. First, this region has a large amount of seasonal production and high worker turnover, which result in a large number of I-9 and other employment forms to be completed and filed. Second, this region has a large number of small growers, who may not have the resources to handle a lot of paperwork. San Joaquin is similar in this respect to Fresno, and many FLCs there too cited reducing paperwork as the reason growers hire them.

In Ventura, only 10 percent of contractors said growers hire them to reduce paperwork. One-third cited the high costs of workers' compensation insurance (see Section F.3 of this report). Other perceived reasons for hiring FLCs in Ventura are labor-management disputes and reducing production costs.

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[2] Suzanne Vaupel, *Growers' Decisions to Hire Farm Labor Contractors and Custom Harvesters*, University of California Cooperative Extension, Agricultural Personnel Management Program, 1992.

Contractors and growers there observe that the citrus harvest associations most prevalent 15 years ago had union-influenced wages and more benefits, the higher costs of which were passed on to growers.

A number of different reasons for hiring FLCs were cited in Imperial. Fewer than a third said that reducing paperwork was the main reason. Other reasons mentioned most often were reducing supervision responsibilities and reducing liability under IRCA and other labor laws.

4. Finding New Customers

The predominant method of finding new customers is a rather passive one--answering the telephone. In the total sample, 82 percent of FLCs receive calls from growers seeking their services after hearing of them through word of mouth. Two-thirds of the contractors find most of their new customers this way. About half of the FLCs get business by staying in general contact with growers or through such means as general mailings or fliers. This method is said by 17 percent to give best results. Other means of finding new customers are through follow-up contacts with specific growers referred to them (50 percent) and through contacts with former employers (44 percent). Very few contractors (7 percent) do any advertising in broadcast or news media.

More San Joaquin and fewer Monterey FLCs get new customers through word of mouth than in other regions (91 and 73 percent respectively). More contractors in Imperial and Monterey seek to acquire business with growers for whom they previously worked than in other regions (54 and 50 percent).

Competition for customers from a growing number of FLCs is a concern voiced by many contractors interviewed. In the Fresno area competition has reached the level of "cutthroating," according to respondents who claim that some FLCs charge commission rates below the minimum necessary to pay mandatory taxes and insurance. Contractors explain that it is easy to get into the business and tempting for foremen or crew bosses who believe there are high profits in contracting. New or unlicensed contractors aggressively seek work by offering to do the job for less. Respondents said that contractors who consistently underbid others do not last more than a few years in the business. Several expressed their disgust at the destructive competition and said that it could force them out of business. One contractor has been trying to educate other contractors on the need to charge commissions that at least cover costs.

In Monterey, the proliferation of many small FLCs is viewed as a threat by some of the large contracting companies that are employed by big lettuce growers. In Ventura, too, FLCs fear increasing competition from other contractors. Imperial Valley is the only region where contractors did not spontaneously express concern about competition.

Contractors were asked which strategies they use to compete against other FLCs. A large majority say they try to offer better quality work (84 percent in the whole sample, 91 percent in Fresno, 89 percent in Ventura, but only 70 percent in San Joaquin). The next most common approach is to specialize in certain crops and/or tasks (84 percent of total sample, 75 percent in Ventura).

Some FLCs specialize in scale–doing work for only large or small growers. Overall, about a fifth specialize in big jobs (19 percent); the proportion is higher in Fresno and Imperial (27 and 26 percent). In the total sample, 13 percent specialize in small-scale work , a greater share in Fresno (20 percent). Only a few report that they compete by charging less than their competition (9 percent overall, 14 percent in Ventura).

5. Formality of Contracts

The handshake is alive and well in farm labor contracting. Arrangements between growers and FLCs are not usually committed to written form. A large majority of FLCs have no written contracts with their customers (Table E-4). Twelve percent had one to three contracts with growers in 1990 and only 5 percent had more than three. Ten (31%) of the 32 FLCs who had any written contracts, however, had them with all their customers. Monterey and Imperial regions have the most contractors with any written agreements, San Joaquin the fewest. No FLC in San Joaquin had more than one written contract.

Table E-4. FLCs With Written Customer Contracts in 1990

Number of Contracts	Total Sample		Imperial		Ventura		Monterey		Fresno		San Joaquin	
	N = 180	100%	N = 28	100%	N = 29	100%	N = 30	100%	N = 60	100%	N = 33	100%
0	147	81.7	19	67.9	26	89.7	21	70.0	52	86.7	29	87.9
1	12	6.7	3	10.7	0	0.0	2	6.7	3	5.0	4	12.1
2 or 3	11	6.1	4	14.3	1	3.4	3	10.0	3	5.0	0	0.0
4 or 5	4	2.2	1	3.6	0	0.0	2	6.7	1	1.7	0	0.0
6 or more	5	2.8	0	0.0	2	6.9	2	6.7	1	1.7	0	0.0
No answer	1	0 .6	1	3.6	0	0.0	0	0.0	0	0.0	0	0.0

6. FLC Commissions

a. Types of Commission Rates

FLCs provided information about commissions charged for work in the crops where they had greatest payroll. They mainly use three approaches to calculating their charges to customers (Table E-5).

Table E-5. FLC Commission Rates, by Region

	Total Sample	Imperial	Ventura	Monterey	Fresno	San Joaquin
	N=180	N=28	N=29	N=30	N=60	N=33
FLCs Reporting rates						
# of FLCs	176	26	29	30	59	32
% of Sample	98	93	100	100	98	97
Commission - 1						
Number (and %) of FLCs using	111 63%	9 35%	22 76%	5 17%	50 85%	25 78%
Average Rate (%)	35.9	38.0	39.8	35.8	33.2	37.2
Commission - 2						
Number (and %) of FLCs using	22 13%	0 0%	2 7%	16 53%	3 5%	1 3%
Average Rate (%)	10.1	N.A.	11.0	10.4	8.0	10.0
Piece Rate						
Number (and %) of FLCs using	29 16%	13 50%	3 10%	9 30%	2 3%	2 6%
Other						
Number (and %) of FLCs using	18 10%	4 15%	3 10%	1 3%	6 10%	4 13%

Note: Two FLCs in Fresno and one each in Ventura and Monterey reported using two of these types of commissions.

The predominant method is to charge the grower for total wages plus a commission based on a percentage rate applied to that amount. Out of an inclusive commission (Commission-1), the FLC pays workers' compensation insurance, unemployment insurance, all other payroll taxes, business expenses and office overhead. These expenses may include office rent, equipment, furniture, supplies, and staff; tools for field work; vehicles, maintenance, and fuel to transport supervisors and workers; liability and property insurance; field sanitation and drinking water supplies; communications equipment and services; heavy production equipment; travel and business promotion. What remains after they are paid is profit. Almost two-thirds of FLCs reported using this type of commission rate.

A second type of commission rate (Commission-2) is meant to cover only business expenses, overhead, and profit, thus excluding the mandatory insurances and payroll taxes. Under this kind of arrangement the FLC charges a smaller percentage rate on top of total payroll and passes directly through to the customer his itemized cost for payroll taxes, unemployment and workers' compensation insurances. The billing contains items that correspond to wages, commission, and indirect (passed-through) payroll expenses. Commission rates of this type are usually in the 6 to 12 percent range. Thirteen percent of FLCs report using this method.

The third method of calculating charges is on a piece-rate, or a flat amount per unit of output from the work. The unit may be a box, bin, carton, vine, tree, tray, ton, or acre. The rate is set to cover all wages, payroll taxes, expenses, and profit. This basis of payment to FLCs is more commonly used in such crops as melons, lettuce, and miscellaneous vegetables. Custom harvesting services are also most commonly based on a flat rate applied to output. Sixteen percent of FLCs reported using this means for calculating charges.

b. Rate Levels

Most inclusive commission rates (Commission-1) are between 30 and 40 percent (Table E-6). Only three of the 111 such rates reported in this study were less than 30 percent (23 percent in processing tomatoes) or more than 45 (63 percent in dates and 50 percent in avocados). The next highest rates are in lemons, the next lowest in table grapes and garlic. Some FLCs say that anyone charging an inclusive rate of less than 30 percent is probably cheating workers, customers, the government, or all three.[3]

Table E-6. Inclusive FLC Commission Rates, Selected Crops

	N	Average (%)	Minimum (%)	Maximum (%)
Dates	1	63	63	63
Lemons	12	42	38	45
Tree Fruit	16	36	32	40
Wine Grapes	11	36	31	40
Lettuce	5	35	32	37
Raisin Grapes	18	33	30	37
Table Grapes	8	32	30	33
Garlic	3	32	30	34
ProcessTomatoes	4	31	23	35

Average rates appear to vary some by region (Table E-5), little by task, and not at all by size of FLC operation. By region they range from 33.2 percent in Fresno to 39.8 in Ventura, where many FLCs work in (high-rate) lemons. By task they average 36 percent for harvesting, thinning and hoeing, pruning and irrigation, and 34 percent for thinning fruit. FLCs who supply harvest equipment or haul the crop have both high and low rates within the overall range.

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[3] Assuming a high unemployment insurance rate, the total of payroll taxes and workers' compensation insurance exceeds 26 percent of wages in vegetable crops, 22 percent in vineyards, and 21 percent in strawberries.

The commission rates which do not cover payroll taxes and mandatory insurance are most common in Monterey, where a majority of FLCs use this method to bill customers in their principal crop and task. Half of these contractors charge a 10 percent commission. The other half are almost evenly divided between charging less (6 to 9 percent commission) and more (12 to 13 percent). The crops most associated with this type of commission rate are vegetables. Four FLCs report 10 or 12 percent commission rates in peppers. Three charge 6 to 10 percent in lettuce. More than half the contractors who charge this type of commission rate are of large size ($1 million or more in annual payroll). The rates do not vary by size of contractor.

Flat or piece rates are used most often in Imperial (50 percent of FLCs) and Monterey (30 percent). These rates are found mostly in lettuce, melons, and various vegetable crops. Lettuce harvest rates in Imperial and Monterey range from $1.55 to $1.85 per carton, generally covering FLC equipment and hauling of the crop. Rates for melons (all in Imperial) range from $1.10 to $1.90 per carton, the higher end representing FLCs who haul the crop. Half of the contractors who use flat rates are in the medium size range ($250,000-$999,000 annual payroll). Sixty-two percent provide harvest equipment, and 55 percent haul the crop out of the field, indicating service that resembles custom harvesting.

c. Factors Affecting Commissions

Most commission rates cover a standard set of services: paying workers (97 percent of sample) and payroll taxes (96 percent); supervising workers (95 percent); and providing drinking water (93 percent), field toilets and hand-washing facilities (87 percent). Two-thirds of contractors additionally supply field work tools, about a fourth furnish harvest equipment, and a fifth haul the crop from the field. These extra services are sometimes, but not always, reflected in higher commission rates.

Other factors more clearly affect FLC commission rates. The most important one is probably the crop worked, which is the key determinant of basic workers' compensation risk factors and rates (Table E-7). Work in tree crops, generally involving ladders and heavy loads, has relatively high risk and insurance rates. Grapes and strawberries are lower risk crops. The highest agricultural workers' compensation rates are in stock farm and feed yard work.

An individual employer may pay above or below the basic rate, depending on the number and severity of claims against its insurance policy. One accident, especially if resulting in serious injury, can significantly raise future premiums. FLCs in Ventura lemons are facing high workers' compensation rates in general and a competitive market. Contractors who try to compensate for high experience modification by charging higher commissions cannot remain competitive. FLCs fear being put out of business by a single substantial claim.

Table E-7. Workers' Compensation Rates in Agriculture, 1992

Industry	Rates (per $100 Wages)
Stock Farms & Feed Yards	26.38
Field Crops (Hay, Alfalfa, Wheat, etc.)	18.42
Orchards (Citrus & Deciduous Fruit)	16.19
Sheep and Hog Farms, Poultry	14.81
Orchards - Nut Crops	14.57
Farm Machine Operation - Contract	13.92
Dairy Farms	13.02
Truck Farms (Vegetables)	12.90
Cotton	10.10
Nursery	9.88
Vineyards	8.74
Strawberries, Bush Berries	7.83
Potatoes, Peanuts, Sugar Beets	5.40

A second factor affecting FLC commission rates is the degree of competition for work in the crop and region. There tends to be less competition in more specialized tasks. A contractor providing sophisticated equipment or workers who possess unusual skills is more likely to be a price maker and charge a higher commission. The highest commission rate encountered in this study was for date harvest, in which the work is very specialized and the FLC provides seats and safety chains for climbing trees.

A final influence on commissions may be FLC reputation. Some contractors are able to charge higher commission rates to customers with whom they have established long-term relationships and who appear willing to pay for more certain quality, dependability, or other aspects of performance.

d. Setting the Rates

Either FLC or customer may have greater influence in setting the commission rate under different circumstances. Most FLCs believe they have some say in rate determination. Forty percent consider themselves the "price-maker," i.e., they establish the amount of commission (at least in the crop with their largest payroll). Another 31 percent report that they are "price takers," i.e., their customers determine the commission. The remaining 29 percent negotiate commission rates with growers.

Larger FLCs are no more likely to set their own commission rates than medium and small ones. More FLCs in lemons and wine grapes (71 percent and 69 percent respectively) determine their commission rates without negotiation than those in the other crops. Fewer FLCs in tree fruit (30 percent) set commission rates themselves. Notably, all the FLCs who reported commissions for tree fruit harvest were in the Fresno region, where competition is especially heavy.

Commissions earned by price-makers and price-takers differ little, but in the expected direction (Table E-8). On average, FLCs who set rates themselves charge about 8 percent more than the rate of those who accept commissions set by growers.

Table E-8. Average Commission Rates, by Extent of FLC Influence in Setting

	Tot. Sample Comm-1	Tot. Sample Comm-2	Imperial Comm-1	Ventura Comm-1	Monterey Comm-2	Fresno Comm-1	S. Joaquin Comm-1
FLCs Who Set Comm.	37.0	10.5	40.4	41.6	12.5	32.7	36.7
FLCs Who Negotiate	35.5	10.8	34.5	36.5	11.0	33.6	39.6
FLCs Whose Custs. Set	34.6	9.4	35.5	35.0	9.6	33.5	36.3

FLCs point to a number of market limitations on the commission rates they can charge. The few contractors who provide health insurance say they have cut back on the number of workers or portion of the premium they cover, because customers are not willing to support the additional cost.

7. Payments from Customers

A majority of contractors (54 percent) are paid weekly by their customers. The rest are paid biweekly (15 percent), when the job is completed (15 percent), monthly (6 percent) or on some other schedule (10 percent).

Payment schedules vary somewhat by crop. In the raisin harvest, for example, 48 percent of contractors are paid as soon as the job is completed. The harvest must be completed quickly, so the raisins can dry before fall rains begin, and many producers have small acreages that can be harvested in a short time. With the harvest typically lasting a few days or less, payment when the job is complete allows the FLC to fund current payroll from current revenue. In other crops where the work lasts for several weeks or even months, however, payment when the job is complete is too late to help in early payroll periods. End-of-job payment in such cases leaves the FLC to pay workers, payroll taxes, and overhead out of pocket. It essentially forces the FLC to loan to the customer current payroll expenses until the job is completed.

Some FLCs complain about the difficulty of collecting payments from growers. When growers do not pay on time, they are unilaterally extending the duration of their "loans" from FLCs who have already met payroll expenses for the job.

8. Division of Influence in Decision Making

Most contractors are expected to follow instructions and meet standards set by customers hiring them for specific tasks. A substantial minority, however, make production decisions themselves, and others make them jointly with customers (Table E-9). One-quarter of FLCs decide on when to begin their work (i.e., when to start the harvest, thinning, etc.), and another 21 percent participate in this decision with the grower. A third determine guidelines for carrying out the task (such as what size or maturity of fruit to pick), and another 15 percent help growers do so.

A greater share of contractors make decisions on matters more directly related to terms of worker employment. Over half determine the performance standard expected of workers, while a third say that growers make this decision. Only two in five say they set wages and benefits for their own employees, and another 26 percent confer with the customer on worker pay.

Table E-9. Division of Decisions Between FLC and Customer

Decision	FLC Mostly (% of Respondents)	Joint Decision (% of Respondents)	Grower Mostly (% of Respondents)
When to Begin Work	25	21	54
Task Guidelines	33	15	53
Worker Wages and Benefits	41	26	33
Performance Standards	53	14	33
FLC Commission Rate	40	29	31

Decision making responsibilities appear to vary by crop and by the level of general involvement by the customer in farming operations. Some growers in this study, for example, prefer to concentrate on marketing and leave all production decisions to various contractors. FLCs in this survey who harvest wine grapes are given more responsibility for production decisions than those in other crops. They are more likely to decide performance standards for workers, task guidelines, when to begin, and their own commission rate. Nearly all contractors in lettuce harvesting (94 percent of them) reported setting wages and benefits, none saying that the grower alone makes this decision.

At the other extreme, only 9 percent of FLCs in tree fruit harvest have primary responsibility for setting wages, and growers usually set wages for more than half (55 percent). Most tree fruit work reported in the survey is in the Fresno region, where competition among contractors is said to be most intense. Many contractors there take what they can get in wages for workers and appear to have little leverage with their customers.

In the table grape harvest, few contractors (11 percent) make production decisions about task method or when to begin work, and growers usually (78 percent) set workers' wages.

F. Personnel Management and Employee Relations

1. Assembling the Workforce

a. Recalling Workers

While four out of five FLCs make an effort to stay in touch with some workers from the previous year, few FLCs (8 percent) attempt to contact all of their employees in the off-season. Seventy percent of contractors in our sample contacted less than a quarter of their 1990 workforce, and about 24 percent contacted half or more. Workers often take it on themselves to call FLCs to find out when work will begin.

The most common method of contacting workers is by telephone, used by 83 percent of the FLCs who made any contact before resuming work in 1991. Phone was used by all such contractors in Ventura but only 56 percent in Imperial, where most of the workforce lives and commutes from nearby Mexico. Many FLCs also send messages to past employees through friends and relatives (69 percent). This method of contact is used most in San Joaquin (86 percent) and least in Ventura (50 percent). A third common method of getting back in touch, used by 44 percent of FLCs, is to visit workers at their homes. This practice is most common in San Joaquin (71 percent), where FLC operations tend to be smaller, and least common in Ventura (8 percent).

Only 9 percent of FLCs sent cards or letters to recall 1990 employees. More contractors did so (21 percent) in Monterey, and none did in Imperial and Ventura. The EDD Agribusiness Representatives in some counties assist growers in seasonal recall by sending letters to their former employees. Workers who do not report to work after such contact are considered ineligible for unemployment insurance benefits. The EDD representative in Monterey expressed interest in extending similar recall assistance to farm labor contractors.

b. Recruiting New Workers

Like most agricultural employers, FLCs must find new workers each year. On average, about half of a contractor's workforce is made up of returning employees and half of new ones. Imperial FLCs had a higher average proportion of returning workers in 1991 (62 percent). Most recruitment is conducted in the area local to FLC office or job site. Only 8 percent of the contractors interviewed recruit outside of the counties where they are located. More FLCs in Fresno (13 percent) and none in San Joaquin recruit in other counties. Two FLCs reported recruiting in other states and two others recruited in Mexico.

There is some cooperation among FLCs, mainly large ones, in sharing crews and work. Overall, about 16 percent of FLCs hired an available crew from another contractor in 1990, and 18 percent subcontracted work to another FLC. Almost one-quarter of large FLCs temporarily employed a crew from another contracting business, more commonly (37 percent) in Imperial. The practice of subcontracting work is reported most often by FLGs in Fresno (28 percent).

Perceptions of recruitment ease suggest an enlarged labor supply in 1990 over 1989. One-third of FLCs in the sample as a whole found it easier to recruit workers in 1990, only 13 percent found it more difficult, and half found it about the same, but there were notable regional differences. More than half the FLCs in Imperial found recruitment easier, while about 20 percent in Ventura and Fresno found recruitment more difficult. Reported ease of recruitment did not differ by FLC size.

FLCs typically use multiple channels to find new workers (Table F-1). The most commonly used means of recruitment are referral from current employees and delegation of the recruitment function to foremen and supervisors. An even higher proportion of FLCs, however, hire "walk-ins," i.e., workers who come to them looking for a job. A large proportion also place job orders with EDD and recruit workers by going to where they live. Few FLCs advertise for workers, post signs, or ask growers or other contractors to refer workers.

Table F-1. Recruitment Methods Used by FLCs

Method	FLCs Using (%)	Source of Most New Workers (% of FLCs)	Source of Best New Workers (% FLCs)
Hire walk-ins	84	24	15
Ask employees to refer workers	79	28	35
Delegate recruitment to foremen, supervisors	77	40	45
Place job order with EDD	38	1	0
Go to where the workers live	37	2	2
Ask other FLCs or growers to refer	16	1	0
Hire crew from another FLC	16	N/A	N/A
Advertise (newspaper, radio)	7	1	0
Use grower association referral system	4	0	0
Post signs	4	0	0
Other	13	4	4

Large FLCs are more likely than small or medium ones to place job orders with EDD (59 percent of large operations do), hire an available crew from another contractor (23 percent of large do), advertise in news media (12 percent), post signs (7 percent) and use an association referral system (7 percent). They are more likely than small contractors to ask their foremen to recruit workers (81 percent compared to 69 percent) and less likely to go where workers live to recruit (28 percent compared to 47 percent; 34 percent of medium FLCs do so).

Regional differences in recruitment method also reflect differences in the size and hence organizational structure of FLC firms (Table F-2). In Imperial, where the average FLC is larger than in other regions, more contractors delegate recruitment to their foremen. In San Joaquin, where businesses are smaller, fewer FLCs ask foremen to recruit. Similarly, contractors in Imperial are much less likely than in San Joaquin to recruit workers where they live, and more likely to hire available crews from another contractor.

Table F-2. Recruitment Methods, by Region (% FLCs Using)

Method	Total Sample	Imperial	Ventura	Monterey	Fresno	S. Joaquin
Hire walk-ins	84	71	90	90	78	94
Ask employees to refer workers	79	82	83	83	77	76
Delegate to foremen, supervisors	77	89	72	67	88	61
Place job order with EDD	38	36	24	50	48	21
Go to where the workers live	37	21	17	20	53	52
Ask FLCs or growers to refer	16	7	10	13	25	15
Hire crew from another FLC	16	37	7	10	18	9
Advertise (newspaper, radio)	7	4	10	13	7	3
Use grower assoc. referral system	4	0	3	7	3	6
Post signs	4	0	14	3	3	0

Other differences in recruitment may reflect local custom and differences in support institutions. Half the contractors in Monterey and Fresno place job orders with EDD, but only one-fifth in San Joaquin do so. Contractors in Ventura are more likely than elsewhere to post recruiting signs. Monterey contractors advertise more than those in other regions.

Recruitment by foremen is reported by 45 percent of FLCs to be the source of the best new employees, employee referral by 34 percent, and walk-on by 16 percent. Of course, crew leaders and co-workers have a stake in bringing on good workers and helping along those they help recruit.

The source of best new workers differs little by FLC size. Some differences are found by region. In Imperial and Fresno, where more contractors rely on foremen to recruit, a large majority of contractors find their best workers through their foremen (61 and 66 percent). In the other regions contractors tend to find their best new workers through employee referrals more than any other method. Foreman recruitment and walk-in are rated nearly equal as the next best sources of workers in these other three regions.

c. Use of EDD Job Service

The EDD Job Service (JS) serves as a recruitment source for about two of five contractors. On average FLCs who used the JS placed 5 orders (each order typically covering multiple jobs) in 1990, markedly more in Monterey and less in Fresno and San Joaquin (Tables F-3). Larger operators were more likely to use the service, and they placed greater numbers of orders.

JS was not identified as the source of best new employees by any of the contractors (Table F-1). A slim majority said that they were usually satisfied with the JS response to their job orders (Table F-3). Satisfaction was highest in San Joaquin, lowest in Ventura and Monterey. Small operators had slightly higher satisfaction rates than large and medium ones. While this result may indicate that the Job Service is more successful in filling small job orders than large ones, it may simply reflect differences in the expectations of contractors.

Table F-3. FLC Job Orders and Satisfaction with EDD Job Service

	Total Sample	Region					Payroll in 1990			
		Imperial	Ventura	Monterey	Fresno	San Joaquin	Less than $250K	$250K-$999K	$1,000K or more	Not Reported
	N=180	N=28	N=29	N=30	N=60	N=33	N=45	N=61	N=59	N=15
FLCs Placing Orders # of FLCs	68	10	7	15	29	7	7	22	35	4
% FLCs	37.8	35.7	24.1	50.0	48.3	21.2	15.6	36.1	59.3	26.7
Number of Orders (Average)	5.16	7.60	6.43	9.20	2.59	2.43	1.14	4.77	6.23	5.00
Satisfaction (of those placing orders) Usually satisfied (% FLCs)	52.9	60.0	28.6	26.7	62.1	85.7	57.1	50.0	48.6	100.0
Sometimes satisfied (% FLCs)	4.4	10.0	0.0	13.3	0.0	0.0	0.0	4.5	5.7	0.0
Not satisfied (% FLCs)	41.2	30.0	71.4	53.3	37.9	14.3	42.9	45.5	42.9	0.0
No Opinion (% FLCs)	1.5	0.0	0.0	6.7	0.0	0.0	0.0	0.0	2.9	0.0

d. Workforce Characteristics as Seen by FLCs

Many respondents could not confidently answer survey questions about the state of origin and permanent residence of the workers they hire. FLC familiarity with workers varies with business size and management style. Contractors with large operations tend to know least about their employees, since their hired foremen have most of the direct contact with workers. More of the smaller operators know their workers well.

Only two-thirds of contractors had an idea of which state most of their Mexican workforce originally came from, or had observed that most did come from a single home state. One-quarter of the whole sample believe that Michoacan is the predominant home state of their employees, 10 percent Guanajuato, 6 percent Baja California, 5 percent Jalisco, and 5 percent Oaxaca. Workforce associations with Mexican home states differ from region to region. Baja California is believed to be the primary home state of workers by 36 percent of FLCs in Imperial, and Michoacan by 55 percent in Ventura, 30 percent in San Joaquin, and 23 percent in Fresno. In Monterey, FLCs believe their workers come mainly from Guanajuato (27 percent) and Michoacan (23 percent). Workers from Oaxaca are most concentrated in the Fresno area, where they predominate in the workforces of 13 percent of contractors.

FLCs estimate that fewer than half their employees (42 percent) are settled with their families in the area where they work. The proportion is greater in Imperial (52 percent), adjacent to the border with Mexicali, where many workers reside. It is also high in Monterey (49 percent). Lower proportions of settled workers are estimated in San Joaquin (40 percent), Ventura (37 percent) and Fresno (36 percent).

Women are thought by FLCs to constitute 16 percent of their employees, much less than the 26 percent of seasonal agricultural service ("SAS") workers in California found by the National Agricultural Workers Survey and even fewer relative to the 37 percent found by the 1980 California Census of Population. Our results support those of another recent study,[4] that women work least in tree crops. In Ventura, where many FLCs work in citrus, they report only 7 percent of their workers to be female. In Imperial and Monterey vegetable and grape production, FLCs employ more women (26 and 29 percent respectively). Large contracting firms report hiring more women (20 percent) than medium (12 percent) and small ones (15 percent).

2. Personnel Management Decisions and Practices

a. Hiring

A majority of FLCs overall make most hiring decisions themselves, tending so more in smaller operations (Table F-4). Not surprisingly, hiring responsibility in larger firms is more often decentralized to crew foremen or supervisors. Foremen are often hired along with their own crews or are delegated full responsibility for filling them.

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[4] Alvarado, Andrew J., et al, *Agricultural Workers in Central California in 1989*, California Employment Development Department, 1990.

Differences in hiring responsibility are found also by region (Table F-5). In Imperial, where not only are FLCs larger but also crews are formed or picked up daily at well known sites near the border, foremen do the hiring for three-fourths of FLCs. Only 18 percent of FLCs retain centralized control of hiring. At the other extreme, three-fourths of FLCs make most of the hiring decisions in San Joaquin, where small operations predominate. Foremen make most hiring decisions in more than one-third of FLC operations in Fresno and Monterey.

Table F-4. Responsibility for Hiring, by Size of Operation (% of FLCs)

Decision Maker	Total Sample	Small	Medium	Large
FLC	56	64	57	45
Supervisors	7	5	9	9
Foremen	37	31	34	46

Table F-5. Responsibility for Hiring, by Region (% of FLCs)

Decision Maker	Tot. Sample	Imperial	Ventura	Monterey	Fresno	S. Joaquin
FLC	56	18	69	60	53	76
Supervisor	7	7	7	3	8	9
Foremen	37	75	24	37	38	15

Pre-employment interview is the only selection tool used by a majority (57 percent) of FLCs. The "interview" could be formally structured or a quick conversation in the field. Nineteen percent of FLCs use written "applications," considered by some to be any written information form other than the Form I-9 (required by the 1986 immigration reform act to verify employment eligibility). Fifteen percent of FLCs consider references from other employers. Only 8 percent use a test or demonstration of worker skills in making decisions to hire.

Of all selection tools, use of references from other employers varies most across regions. Almost one-quarter of FLCs in Fresno (23 percent) and one-fifth in Imperial (21 percent) depend on information from previous employers, whereas only one contractor (3 percent) in the San Joaquin subsample does so. Use of selection information tools varies little by FLC size. Small and medium-sized FLCs use skills tests more often than large (11, 9, and 5 percent respectively). Large FLCs are somewhat more likely to use written applications (22 percent) and interviews (61 percent).

The only hiring criterion cited by virtually all FLCs as important (very for 97 percent, somewhat for 2 percent) is a worker's "legal status," or eligibility for employment in the United States. Following in importance across our sample is compatibility with the rest of the crew (very or somewhat important to 84 percent of FLCs), prior experience in the same crop and task (81 percent), demonstration of ability (62 percent), and prior farm experience in other crops (62 percent). Content of references from a previous employer or other worker is important to about one-third of FLCs. Additional criteria specifically mentioned by FLCs are respect for supervisor, ability to work safely, honesty, dependability, sobriety, and good health.

Differences in hiring criteria by size and region are relatively minor. Large and Imperial-based contractors more often say that they give weight to prior experience in the same crop and to crew compatibility. Contractors in San Joaquin are less concerned than others with demonstrated ability. More than half the Fresno sample say that references are very or somewhat important.

b. Information Given to Workers

Newly hired workers are most likely to learn what is expected of them through an oral explanation by their foremen (84 percent of FLC operations) and/or by the contractor (72 percent). A quarter of FLCs have written handbooks or notices describing their general rules and policies. More large than small and medium contractors give information to workers in written form (43 percent compared to 22 percent and 16 percent, respectively). Fewer FLCs in Ventura than other regions have written rules (11 percent compared to between 27 and 33 percent).

Wage rates are posted or given in writing to workers by 73 percent of contractors, and information about benefits by 70 percent. Crop and task are specified in writing by 41 percent and length of employment by 17 percent. Many contractors say they cannot post crop, task, or length of employment because they do not know how long employment will last at each site, and because workers may be switched from one crop and location to another during a single day.

Written notice of wage rates is reported most often in Imperial (89 percent of FLCs) and least often in Fresno (58 percent). The location of the work site is posted most often in Imperial (57 percent) and least often in Ventura (28 percent).

While most contractors report that they provide written information about at least some terms of employment, it is not always received or recognized by workers. Of 23 FLCs whose workers were interviewed, for example, 18 said that they post or give written information about wages, but employees of only three confirmed this assertion. Sixteen of the FLCs said that they gave written notice of benefits, but workers were aware of only four doing so.

c. Supervision

Instructions on how to do the work at each field or site are most often given by foremen (for more than half of FLCs), although about one-third of FLCs instruct workers themselves, and growers give instructions for a few FLCs (Table F-6). In large and medium firms, workers less often receive instructions directly from the FLC and more from foremen and supervisors. Growers are more likely to instruct employees of large than small or medium FLCs.

Table F-6. Provider of Instructions at Work Site, by Size (% of FLCs)

	Total Sample	Small	Medium	Large
FLCs	29	45	24	17
Supervisors	8	6	89	10
Foremen	58	45	64	67
Growers	4	3	3	5

Foremen instruct workers in large majorities of FLC operations in Imperial, Monterey, and Ventura, whereas almost half the FLCs in San Joaquin instruct workers personally (Table F-7). FLCs report that growers normally instruct workers at 10 percent of operations in Fresno, but none in Imperial, Ventura, or San Joaquin.

Table F-7. Provider of Instructions at Work Site, by Region (% of FLCs)

	Tot. Sample	Imperial	Ventura	Monterey	Fresno	San Joaquin
FLCs	29	18	28	20	30	49
Supervisors	8	7	3	3	13	9
Foremen	58	75	69	73	47	42
Growers	4	0	0	3	10	0

While most contractors (87 percent) keep no written records of employee performance, six percent write evaluations regularly and seven percent occasionally. Large growers are most likely to keep performance records (11 percent regularly, 11 percent occasionally).

d. Pay Systems

Most FLCs pay workers weekly (87 percent). A few pay daily (4 percent), and a few on some other schedule (9 percent), usually a combination of daily and weekly. Examples of the latter were given by San Joaquin FLCs who usually pay weekly but meet the request of apricot workers (mostly migrating families and local recruits from Stockton) who insist on being paid daily if they are to return to work another day. Outside of Imperial (see below), daily payments and combinations of daily and weekly pay are found most frequently in San Joaquin (6 percent daily; 18 percent combination) and among small FLCs (6 percent daily and 11 percent combination).

Daily payment is most common in Imperial (14 percent of FLCs), although some FLCs flatly refuse to suffer the additional paperwork it causes. Many workers there spoke as though this pay schedule were the norm, but according to information from FLCs, the preference for daily pay was much more extensive than the management practice of it. The advantage to the worker of having immediate cash to spend for daily necessities apparently outweighs for some the potential stability of continuous work with the same employer.

The most common form of payment to workers is by check (88 percent of contractors). A few FLCs pay cash to all workers (7 percent) or by check to some and cash to others (5 percent). This mixed practice is most common in San Joaquin (15 percent of FLCs), where some FLCs pay their weekly workers by check and daily workers in cash.

All FLCs report giving workers a pay stub or written statement of earnings and deductions. One contractor showed the two-part pay ticket he uses to document cash payments. One part of the ticket has numbered squares, where a punch can be made to indicate production quantity, and lines for the employee's name, address, social security number, and signature. Both parts have lines for the number of units; wage rate; federal tax; state tax; FICA; SDI; and total paid. One section is torn off and given to the employee, and the other is retained by the FLC. All but one of the 92 workers interviewed said that they indeed receive pay stubs.

Only 6 percent of FLCs pay different wage rates for the same type of job within a crew. Roughly half of them base differences on seniority (length of employment) and half on other factors. Such wage differentiation is most common in Imperial (18 percent of FLCs) and evidenced not at all in Monterey.

e. Mandatory and Voluntary Benefits

All FLCs report paying unemployment insurance, workers' compensation insurance, and Social Security contributions for all their workers. These findings were strongly corroborated by workers for all 23 FLCs on whom we have employee interview data.

Thirty-seven percent of contractors report paying show-up wages to workers who are told to report but are not needed to work. Some of the other contractors say they do not pay show-up wages because this situation never occurs. Twenty percent say they pay for stand-by or "wet-time," such as when workers have to wait for ice to melt off lettuce in the early morning before starting in the Imperial winter vegetable harvest. Large growers are more likely to report paying show-up wages (47 percent) and stand-by wages

(29 percent) to at least 50 percent of their workers. These payments are most common in Monterey and Imperial and least common in San Joaquin and Fresno.

Of the 23 FLCs whose workers we interviewed, 10 said that they pay for show-up, but employees of only one provided confirmation. Worker interview results were able to support only one of five FLC assertions to have paid for wet time.

Few FLCs provide to all their workers such voluntary benefits as health insurance (3 percent), paid vacation (1 percent), paid sick leave (1 percent), or other bonuses (7 percent). Bonuses were paid by more FLCs in Imperial (18 percent) and Ventura (10 percent) than in other regions. No significant differences in offering health insurance or vacation days were found by size or region. Worker interviews confirmed the responses about voluntary benefits from their 23 related FLCs, including all four who pay cash bonuses.

f. Separation, Layoff, and Discharge

FLCs overall estimate that fewer than one-quarter of their workers (22 percent) stayed with them the entire season in 1990. The proportion was greatest in Ventura (30 percent) and smallest in Fresno (15 percent). Fewer workers remain the full work year with larger FLCs (18 percent) than with small (26 percent) and medium FLCs (22 percent).

Two-thirds of contractors retain the authority themselves to make final decisions on which workers or crews to lay off when the work slows (Table F-8). Others delegate this authority to foremen or supervisors. In a few cases, the grower decides whom to lay off. Eleven percent of FLCs handle layoffs in other ways, such as deciding jointly with their foremen or managing to release all workers at the same time. Several report that workers leave on their own as contracted tasks or seasonal activity winds down.

Table F-8. Responsibility for Separation Decisions

	Layoffs (% FLCs)	Authority to Fire (% FLCs)*
FLC	67	93
Supervisors	7	41
Foremen	10	69
Grower	5	13
Joint or Other	11	1

* Multiple mentions accepted

More contractors in Fresno retain control of layoffs than in other regions (77 percent), and Imperial FLCs, who tend to be further removed from their workers due to sheer size, more often delegate it (29 percent to supervisors and 14 percent to foremen). Workers leaving on their own is most common in San Joaquin, where crop harvests are generally shortest. Growers make layoff decisions slightly more often in Fresno and Ventura, and not at all in San Joaquin.

Primary criteria for deciding whom to lay off include seniority (cited by 41 percent of FLCs), skill or performance (13 percent), a combination of seniority and performance (17 percent), and other factors (29 percent), many referring to workers leaving on their own. Other bases for layoff are seniority of the crew boss, first crew finished, least responsible workers first, or arbitrary decision by the foreman. Some FLCs lay off all crews at the same time. Packing sheds determine layoffs for several contractors. Large and medium FLC operations are more likely than small to consider seniority in layoff decisions, as are firms in Monterey and Ventura.

Most FLCs retain the authority to fire workers, but many also delegate to foremen and supervisors the right to dismiss. Delegation of discharge authority, like many other aspects of personnel management, is more common in the larger Imperial firms, where fewer FLCs reserve this power for themselves (79 percent). Thirteen percent of FLCs let growers fire their workers. Grower involvement in firing workers is more common in small and medium size FLC operations and in San Joaquin (21 percent of FLCs); it is least common in Monterey (3 percent).

3. Safety Information and Management

Although most interviews were conducted before enforcement of the SB198 requirement that employers have written safety programs, almost all FLCs (94 percent) said that they had rules or policies intended to prevent work-related injuries. Many, however, considered as "rules and policies" such statements as "Don't play with the hoes; be aware of people around you; stay on the tracks when driving cars out of the field; use clippers and knives carefully so you won't get hurt; don't ride on tractors; no speeding on tractors; don't jump over irrigation ditches."

a. Communication of Safety Rules to Workers

Most safety rules are communicated orally to workers by foremen and supervisors (89 percent), FLCs themselves (73 percent, nonexclusive of others), or both. More FLCs in San Joaquin (97 percent) and Fresno (83 percent) personally communicate safety rules. Few Imperial FLCs (33 percent) do so. Oral communication of rules range in form from structured safety meetings to individual reprimands for unsafe behavior. Worker responses supported but nine of nineteen FLCs (of the 23 whose employees were interviewed) who said that they explained safety rules.

A third of contractors report having safety rules in written form. More in Fresno (45 percent) and fewer in Imperial (17 percent) had written rules or policies when the interviews were conducted. However, Imperial interviews were conducted before the requirement for a written program was enforced. They took place about five months before the interviews in Fresno and during the period when many FLCs were preparing to comply with SB198. Of ten FLCs reporting to have written safety rules, employees of four provided confirmation.

b. Enforcement of Safety Rules

Foremen and supervisors enforce the safety rules for almost all FLCs (93 percent), yet many FLCs (84 percent) are also involved. Insurance companies and growers help enforce safety rules for about one-third of FLCs. Analysis by FLC size reveals little difference except for greater involvement of insurance companies in enforcement at larger operations (43 percent of large FLCs, 33 percent of medium, and 23 percent of small). Insurance agents can provide services affecting greater numbers of people and potentially control claims more efficiently through their larger clients.

Regional differences are statistically significant in one area. In Fresno and San Joaquin, 50 and 44 percent of FLCs say that growers and packing houses enforce safety rules. In Imperial and Monterey, FLCs are less personally involved in safety enforcement than in other regions.

c. Safety Training

Two-thirds of contractors provided safety training for workers in 1990, but fewer (57 percent) gave the training during paid work time. Training ranged from formal meetings with an outside expert (and refreshments served) to a demonstration by the FLC or foremen on how to safely use a knife or clippers. Some of the more formal training programs were on nonpaid time. Large contractors overall reported providing more worker training (74 percent) than small (59 percent) and medium (69 percent), though geographically training was most prevalent in San Joaquin (82 percent), where operations tend to be smaller.

Most contractors also say they inform foremen and field supervisors about pesticide safety: where to go for emergency medical care (95 percent), what posting means and what activities are prohibited during a reentry interval (90 percent), and symptoms of pesticide poisoning (88 percent). Imperial FLCs had the lowest rates for giving foremen this information (85 percent, 73 percent, 73 percent respectively). The survey question about this practice, however, used terminology of the legal requirement and may thus have cued FLCs to give a "correct" answer.

d. Sources of Safety Information

The one source of safety information for almost all respondents is insurance companies (Table F-9). Roughly half of FLCs also get safety information from other sources, such as county agricultural commissioners; other government agencies; magazines and newspapers; grower or employer associations. Fewer receive safety information from Cooperative Extension or other university programs, and from growers or other FLCs.

Table F-9. Sources of Safety Information (% of FLCs)

Source	Total	Imperial	Ventura	Monterey	Fresno	S. Joaquin
Insurance Co.	96	89	97	100	98	91
Agric. Commissioners	48	43	32	63	48	52
Other Gov't Agencies	50	43	43	57	53	52
Magazines, Newspapers	45	36	32	20	67	45
Grower/Employer Assoc.	44	43	50	40	48	33
U.C. Ag Extension	27	29	11	20	45	15
Other FLCs/Growers	18	7	11	10	33	15

Regional differences in sources of information reflect local differences in key people and institutions. For example, while insurance companies were active in all regions, they had provided information to every contractor interviewed in Ventura. Many FLCs there identified the same agent, who gave training to workers and consistently good service to contractors. In Monterey County, the agricultural commissioner is particularly active in pesticide training and enforcement. In Fresno, a U.C. Farm Advisor and EDD Agribusiness Representative have been very active in presenting safety seminars and useful publications. Additionally, the Farm Labor Contractor Alliance, formerly based in Fresno (now defunct), provided much information to contractors.

e. Workers' Compensation Experience

According to the contractors interviewed, concern about safety practice has paid off. The overall average workers' compensation insurance experience modification ("X-mod") factor is 97 percent, slightly below the industry average by definition. All employers are assigned a 100 percent factor when they begin business, and the factor is later modified according to the company's claims experience. A large number of claims or a serious accident can result in a higher factor, which translates directly to a policy premium more expensive than the average. For example, if the modification factor is 120, then the company pays 120 percent of the assigned rate for the industry. If the company has had few claims and none serious, the X-mod can be well under 100.

Almost three-quarters of FLCs report X-mods of 100 or less. Fourteen percent have rates from 101 to 124, and another 14 percent from 125 to 200. Most of those with highest rates have had serious accidents with machinery, cars, or trucks. Accidents between cars and trucks in the fields or on highways (while hauling crops or machinery) have led to steep rate increases for several contractors. Small FLCs have higher X-mods (average 102) than large ones (average 91). All regions have factors averaging 100 or less.

In the Ventura region many contractors, especially those who work in citrus, express great concern about high workers' compensation insurance rates. The workers' compensation rate in citrus, as with other tree fruit, is the highest among all fruit and vegetable crops, $16.19 dollars per hundred of direct payroll. Back injuries are frequent among citrus workers, who carry 50 pound bags up and down ladders. Many Ventura FLCs complain about a high rate of claims fraud, which is encouraged, they say, by advertisements of personal injury lawyers. Despite their complaints, however, the FLCs interviewed had below-average X-mods.

4. Other Services Provided by FLCs

Most FLCs provide tools to workers (87 percent). Twelve percent of them charge for the tools, and many more require a refundable deposit. Other services for workers are provided by far fewer contractors. Transportation is the next most commonly offered, but only 12 percent of FLCs provide it themselves, and one-fourth say that it is their foremen who do. Other FLCs claim not to know if their foremen provide rides to workers. Of the labor contractors that do provide transportation (directly or through foremen), 18 percent require workers to use it. A third provide transportation without cost, and the others charge between $1.00 and $4.00 daily. Three dollars is the most common charge reported.

Of the FLCs who provide transportation, more are large (62 percent) than medium (24 percent) or small (14 percent). The FLCs who report that their foremen provide rides are equally divided among the three size groups. FLC-provided transportation is most common in Monterey and Imperial (30 and 28 percent of FLCs interviewed). Few FLCs in the other regions provide rides, and none do in Fresno. Rides by foremen or affiliated "raiteros" are most common in Fresno, where over half (53 percent) of FLCs report the service.

Housing is provided to workers by only 11 percent of FLCs. Weekly charges range from $12 to $80. These charges sometimes cover meals. A small number of FLCs, all in Fresno and San Joaquin, report that their foremen provide housing. There are no regional differences in the proportions of FLCs who offer housing. About 5 percent of FLCs and 3 percent of FLCs' foremen provide food to workers, many in conjunction with housing.

A few FLCs cash checks for their workers (7 percent). One requires workers to cash their pay checks with him, and one charges $1 per check.

G. Contacts With Government Agencies

1. Meeting License Requirements

A majority of FLCs reported no difficulty getting licensed in California: 57 percent found the state test to be easy, and 67 percent found it easy to post the bond required for a state license.

About one-third thought the licensing test was moderately difficult, and only 7 percent found it very difficult. Four percent admitted to not taking the test, perhaps because they were among the unlicensed FLCs interviewed (3 percent of sample) and perhaps because the test was legally taken by someone else in their firm. The FLC entity could have been a corporation or a partnership, or the interview could have been conducted with someone other than the contractor, such as field supervisor. Respondents in large and medium sized FLCs were more likely to find the test easy. Greater proportions of contractors in Monterey thought the test easy (79 percent), and in San Joaquin moderate or difficult (55 percent).

While two-thirds of the total sample reported that posting the bond was easy, it was moderately hard for 18 percent, very difficult for 13 percent, and not even posted by 3 percent. An equal proportion of small and large FLCs found it difficult to post bond, but a greater share of large ones said it was easy. Contractors in Monterey were more likely to report posting bond easy (80 percent), and in Fresno less (57 percent).

2. FLC Requests for Information or Assistance

Many FLCs have contacted government agencies for information or assistance. Large FLCs made the most contacts (46 percent of all contacts reported), and small FLCs the fewest (23 percent). Contractors in Fresno requested information or assistance slightly more often than those in other regions.

The agencies contacted most often by FLCs for information or assistance are Department of Industrial Relations (DIR, 26 percent of all contacts), and Employment Development Department (EDD, 23 percent). Other agencies received fewer inquiries from FLCs: Immigration and Naturalization Service (INS)--13 percent of contacts; County Agricultural Commissioners -- 11 percent; Occupational Safety and Health Administration (OSHA)--10 percent; Department of Labor (DOL)--9 percent; others--7 percent).

3. Inspections by Government Agencies

FLCs are regulated by state and federal laws administered and enforced by a collection of agencies.[1] Public policies affecting contractors can be grouped as those that (1) set limits on specific terms of employment (minimum and overtime wages, rest periods, field sanitation and safety standards), (2) regulate interactions between employers and workers (pre-employment screening, collective bargaining, dismissal); or (3) modify labor supply or workforce development outside of the employment context (immigration rules, public training programs, migrant health services).

Agencies that most frequently conduct workplace inspections include the U.S. Department of Labor, California Department of Industrial Relations, Division of Occupational Safety and Health (state) and Occupational Safety and Health Administration (federal)[2], U.S. Immigration and Naturalization Service, and U.S. Internal Revenue Service. Officials from these agencies have stated that resources are insufficient to maintain adequate enforcement programs; while agricultural workers and their advocates tell of violations by FLCs, some FLCs complain of harsh or petty enforcement by agency staff.

Many more FLCs, however, assert that lax enforcement of the laws puts law-abiding contractors at a competitive disadvantage. Several large FLCs in this survey state that enforcement agents inspect their operations much more often than smaller firms, seemingly because their offices are easier to find and they tend to be more cooperative. They believe that the intent of worker protective legislation is not well served when enforcement agents spend enormous amounts of time examining records on thousands of employees and find but a few minor violations.

The results of this survey support the contention that large FLCs are inspected and fined at a higher rate than small ones (Table G-1). While the overall proportion of contractors inspected by respective agencies at least once during 1987-90 varies from 23 to 40 percent, the rate for large FLCs is 34 to 59 percent. Among small FLCs, the rate is 17 to 27 percent, or about half that for the large firms. Inspection rates for medium-sized FLCs are in a middle range.

Table G-1. FLCs Inspected by Government Agencies, 1987-90, by Size

Agency	Tot. Sample (%)	Small (%)	Medium (%)	Large (%)
Immigration. & Nat. Service	30	19	31	40
Dept. of Labor	40	27	36	59
Dept. of Indust. Relations	36	25	38	47
Occ. Safety & Health.	23	17	19	34

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[1] For more information on these laws, see Howard R. Rosenberg and Daniel L. Egan, *Labor Management Laws in California Agriculture*, Division of Agriculture and Natural Resources (Publication 21404), University of California, 1990; and Suzanne Vaupel and Philip L. Martin, *Activity and Regulation of Farm Labor Contractors*, Giannini Information Series No. 86-3, 1986.

[2] Responsibility for enforcing occupational health and safety standards in California shifted between federal and state agencies during the years (1987-90) about which the survey asked.

Reported inspection rates also vary greatly by region (Table G-2). In Imperial, where there is a smaller number of contractors, inspection rates are higher than in other regions. Half the FLCs interviewed there had been inspected by the Immigration and Naturalization Service and even more by the Department of Labor, the Department of Industrial Relations, and "other" agencies (such as the Internal Revenue Service, Agricultural Commissioner, Highway Patrol, and local health department). Inspection rates by most agencies are lowest in Ventura. Taken as a whole, however, the combined activity of all agencies has left only a small portion of FLCs we surveyed in each region uninspected. Four of five contractors had been visited by at least one of the agencies during the 1987-90 period.

Table G-2. FLCs Inspected by Government Agencies, 1987-90, by Region

Agency	Total (%)	Imperial (%)	Ventura (%)	Monterey (%)	Fresno (%)	S. Joaquin (%)
Immig. & Nat. Svc.	30	50	11	20	35	27
Dept. of Labor	40	61	29	55	32	33
Dept. of Ind. Rel.	36	61	29	30	27	45
Occ. Safety & Health.	23	41	18	21	13	34
Other Agency	37	57	38	27	35	30
Any Agency	79	86	83	77	73	82

Overall, about one-third of FLCs had been cited or fined for violations of law between 1987 and the end of 1990, most of them only once (Table G-3). One in five had been cited twice, and 7 percent more than twice. One contractor reported being fined 12 times. The share of FLCs penalized was greatest in Imperial and smallest in San Joaquin. Large contractors were not only inspected but also fined more often than small and medium size firms. About 60 percent of FLCs in our sample who had been fined are large and fewer than 20 percent small. DIR appeared to be the agency assessing the most fines, followed by "other" agencies, DOL, DOSH and OSHA, and INS (Table G-4).

Table G-3. FLCs Cited or Fined, 1987-90, by Region

	Total Sample	Imperial	Ventura	Monterey	Fresno	S. Joaquin
% FLCs Cited	32	64	28	30	28	18
Avg. # Citations*	1.5	2.1	1.1	1.1	1.2	1.3

* for those who were cited at all

Table G-4. Proportion of All FLC Citations, 1987-90, by Agency

Agency	% of Citations
DIR	34
DOL	21
OSHA	10
INS	7
Other	28

4. Reporting to EDD under the Unemployment Insurance Program

a. Reporting Payroll and Monitoring UI Claims

Like all employers, FLCs are required to report their monthly employment and quarterly payroll and to pay unemployment insurance tax on all wages. The required quarterly and annual reports to EDD can be confusing, especially to new employers unfamiliar with them. Some who are not aware of and do not pay timely payroll taxes overestimate their net income after receiving fees from growers and paying wages due to workers. After spending or encumbering their "profits," they may have to borrow from new revenues later to meet quarterly and annual tax obligations. A cyclical pattern may continue until their accounts get so far out of balance that they cannot meet wages and tax commitments, go out of business, or both.

Most of the FLCs interviewed (90 percent) say they have no problem understanding the EDD forms on which UI wages are reported. However, 10 percent do have trouble, and the proportion of small FLCs who are confused is greater than average (16 percent). Contractors in San Joaquin have the most trouble with the forms (27 percent reporting difficulty). Fewer in Fresno and Imperial report problems (10 and 7 percent, respectively), and no FLCs report such problems in Ventura and Monterey.

Rates for unemployment insurance are modified by an "experience rating," based by formula on the amounts of benefits paid to an employer's former employees.[3] Workers who are laid off when seasonal work ends are eligible to collect unemployment benefits. To remain eligible, workers must be actively available for employment. Those who fail to seek employment or to report for work when recalled lose their eligibility. Workers who are fired for cause are not eligible for UI benefits.

Because much agricultural employment is seasonal, many workers do become eligible for unemployment benefits, and agricultural employers generally pay higher UI tax rates than those in other industries. Employers can help to control their UI rates and costs by recalling laid off workers, monitoring claims filed

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[3] For full discussion of eligibility for unemployment benefits and the determination of an employer's UI tax rate, see the annual *Employer's Tax Guide*, issued by the Employment Development Department.

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against their accounts, and contesting those without merit (i.e., claims by workers who were fired for cause or who do not return to work when recalled).

Most FLCs contest few or no UI claims filed. More than half (53 percent) did not contest any UI claims from 1987 through 1990. Fifteen percent challenged a minimal number, one or two claims over these four years. Fewer than one-third (32 percent) contested more than two claims in the period. A few contractors, however, have vigorous UI monitoring programs: eight of them challenged 100 or more claims in 3 years, and one estimates contesting 1,500.

b. Employment Data

Compilations of FLCs' and growers' UI reports are the source of current and detailed EDD publications describing quantities of agricultural employers, jobs, workers, and wages (e.g., Agricultural Employment, Report 882; and Agricultural Employment Pattern Study). Information presented in these publications, however, can be misleading. The structure of employer categorization is a main source of this problem.

The EDD data series report employment and payroll by Standard Industrial Codes (SIC). Agricultural employment is classified by SIC for major crops and agricultural services. EDD assigns a single SIC to each employer when first setting up an account. This simple identification scheme does not provide for sorting of FLC activity by crop sector.

Thus, FLCs' reports are generally collected under SIC 0761 (Farm Labor Contractors), but some are under 0762 (Farm Management Services) or 0722 (Crop Harvesting, Primarily by Machine). Contractors who also farm are often under the appropriate code for the crops they grow, depending on which business they entered first. So most growers who engage in some seasonal contracting are not represented as FLCs in UI files, nor are others whose farm labor contracting business grew from an operation originally classified otherwise. The dual result is that (1) total FLC employment of record is understated and other categories overstated, and (2) distribution of FLC activity over various crop sectors is not discernable.

More accurate and refined reporting of payroll and employment from the UI data base would depend on incorporation of more specific identifying information (such as multiple codes and type-of-business declarations) from FLCs. But the amount and form of additional information requested, if too complex or intrusive, could end up further reducing compliance with the obligation to report.

The current survey explored FLC reaction to two possibilities for increasing information on crops in which their employees work. The first option would be to simply specify the crops worked on the quarterly report. A large majority of FLCs (78 percent) expressed willingness to comply. Small operators were somewhat more willing than large ones to report crops (82 percent, compared to 73 percent).

The second idea would be to not only specify crops but also designate how much of total wages was paid for work in each. A smaller majority of FLCs said that they could meet this kind of reporting standard, 39 percent saying that it would be a problem. More small operations (48 percent) would have difficulty reporting wages by crop than large (40 percent) or medium-sized operations (27 percent).

5. Actions Desired of Public Agencies

In all regions except Imperial, FLCs were asked what the government or university could and should do for them. Their responses can be viewed as reflections of problems that contractors believe to be out of their own control. By far the most frequent response, given by more than one-third who answered, is to provide educational programs on legal, technical, and business aspects of labor contracting (Table G-5). Nearly half as many suggested stronger law enforcement, particularly targeting unlicensed contractors.

Table G-5. What FLCs Want from the Government and University

	Percent of Suggestions (n=107)
Offer Education	36
Increase Enforcement of FLC Regulation	15
Reform Workers' Compensation System	10
Standardize Commission Rates	7
Increase Worker Wages	7
Assist in Collecting Payments from Growers	7
Simplify Paperwork	7
Strengthen Licensing Procedures	3
Increase Research on FLCs	3
Eliminate Agency Overlaps	2
Increase Worker Housing Availability	2
Enforce Laws Against Growers Hiring Unlicensed FLCs	2

H. Conclusion

1. Role of Farm Labor Contractors

Farm labor contractors (FLCs) are an established part of the agricultural business structure in California. Operating effectively in their niche entails complex relationships with customers, workers, and government agencies. Labor contracting has evolved as an institution along with developments in farm production technology, workforce demographics, the regulatory climate, and regional conditions.

Many FLCs have specialized knowledge and skills, offices, computers, and field equipment. They are tied to other parts of the agricultural community through not only close relationships with customers but also direct ownership interest in related businesses. Some entered labor contracting with the help of growers who had previously employed them as foremen or supervisors. One-third of the contractors in the survey operate farms.

Labor contractors provide a means for engaging predominantly Spanish-speakers of Mexican descent to work on farms run mainly by English-speakers. An international infrastructure of friendship and kinship networks has facilitated immigration of agricultural workers to the U.S. and referral to jobs. FLCs and their crew leaders are often part of or central to these networks.

2. Defining the FLC Population

Because the population of FLCs is not known absolutely, measuring and regulating its activity is not straightforward. Three ways to become officially identified as a farm labor contractor in California are (1) to register with the U.S. Department of Labor (DOL), (2) to obtain a license from the state Department of Industrial Relations (DIR), and (3) to pay unemployment insurance taxes to the Employment Development Department (EDD) under the standard industrial classification code for farm labor contractors and crew leaders, SIC 0761.

Government agencies define FLCs differently, and lists of contractors from the respective files maintained by DOL, DIR, and EDD differ greatly. Only 506 of a total 3,580 entities who are on any of the three lists are on all. Some persons who perform labor contracting activity are on none of the lists.

Counting only those known to EDD as FLCs (i.e., paying unemployment insurance under SIC 0761), there are 1,080 contractors who employ an average of 78,000 workers (roughly 20 percent of state farm total) and pay a yearly total of $580 million in wages. These measures clearly understate the real FLC population, employment, and payrolls. Some licensed or registered operators pay under different SIC codes. Still additional contracting work is performed by an unknown number of individuals who do not file unemployment insurance taxes.

3. Business Organization and Diversity

Beyond the differences in official definition, FLCs are a very diverse group. The market for which labor contractors design their "product lines" is also diverse. Customers with different crops, business and organizational structures, and preferences for direct involvement in farm production have different sets of needs that they hire contractors to serve.

A fundamental difference among labor contractors is business size. Most FLC firms are small, but larger ones are responsible for most of the aggregate contracting activity. The 14 percent of FLCs in the UI file with payrolls of $1 million or more in 1990 paid out three-fifths of the wages and accounted for more than half of the employment under SIC 0761. Almost 60 percent of FLCs had payrolls smaller than $250 thousand, but they accounted for only one-tenth of aggregate pay and one-eighth of employment.

Average peak employment in the survey sample was 280, the median 150. Most FLCs have another level in their organizations between them and workers, though in smaller firms contractors themselves supervise one or two crews. The contractors' own middlemen--known as foremen, mayordomos, or crew bosses--deal directly with workers as first-line supervisors. They have considerable responsibility to recruit, hire, assign, instruct, correct, discipline, and discharge production employees, who often view them, rather than the licensed FLC, as the employer. Half of the contractors in our sample employ more than five foremen at peak, and two-fifths have still another level of management between them and the foremen. Only 6 percent had no hired foremen during their peak level of activity in 1990, and four-fifths had at least one during their entire work year. The number of foremen at peak averages nearly 8 and ranges up to 62.

Nearly all FLCs have office staff for administrative tasks, and most use computers for production and payroll records. About two-thirds use services of accountants or bookkeepers, more often working as outside professionals than direct employees. Family members of the contractor are involved in two-thirds of FLC businesses, most commonly in office tasks but also in supervisory and operational field work.

4. Personal Characteristics

FLCs mediate between cultures as well as factors of production. Contractors are mostly of Hispanic background; about half were born in Mexico and more than one-quarter in California. More than half speak Spanish at home, and nearly one in five speaks little or no English. Their ages range widely, though most FLCs are in their 40s and 50s. Although they average less than 10 years of total schooling, nearly one in four has some college education, and one-third are high school graduates.

Contractors have abundant backgrounds in agriculture. They have operated FLC businesses for almost as many years as they spent in school. Seventy percent have been labor contracting for 5 years or longer, and one in six for more than 20 years. Nearly all came to the business with experience in production agriculture, the great majority having worked as agricultural foremen and field workers. More than a fourth had been growers or farm managers.

Most FLCs are committed to their occupation. They operate their contracting businesses an average of 8.7 months per year, and one-third do so in all 12 months. FLCs invest in personal and organization development to build qualifications supplementing the bilingual communication skills that most possess before entering the business. Contractors acquire knowledge, certification, and equipment, and they hire staff for keeping records, administering finances, transporting supplies and workers, and supporting field work.

5. Business Functions with Customers and Employees

Although new business relationships begin and old ones end each year, stability of a FLC's customer base is the rule rather than the exception. Contractor-customer relationships endure over time. On average, FLCs provide services to 15 growers or packing houses. A handful of FLCs have only one customer, and even some large operations do all their business with but a few growers or packing houses.

The structure and amount of FLC charges to customers vary more between than within crop and regional groupings. One way of charging is based on a fixed rate per piece or other unit of work output. While giving customers a predictable unit cost, this type of fee structure carries for FLCs the greatest entrepreneurial risk and profit potential. Not tied by formula to payroll, it results in total revenue which may end up exceeding or falling short of expenses. The more common method of calculating bills to customers is to add a percentage rate to the amount of wages paid directly by the FLC. While such commission rates sometimes cover only FLC overhead and profit, they are more frequently set higher to be also inclusive of indirect payroll costs (taxes and mandatory insurance).

Indirect payroll costs establish a lower bound for commissions that contractors can charge without losing money on a job. Workers' compensation insurance premiums are about half of these indirect costs and are a function of crop type in which the work is performed, so average commission rates vary by crop. Most inclusive rates are from 30 to 40 percent. While more than two-thirds of FLCs say that they either set their fees or negotiate them with growers, a sizable minority report accepting commission rates determined by customers.

The services that FLCs provide for growers include a wide spectrum of personnel functions. At the core is recruiting and hiring workers, directing or getting them to the worksite, supervising their work, and paying their wages. Work tools are provided by a large majority of FLCs, sometimes at a fee to workers, and transportation by a minority of contractors or their foremen, usually at a fee. Particularly in the Fresno and San Joaquin regions, foremen and "raiteros" sell transportation to FLC employees. During periods of peak seasonal activity, some of these agents expand their repertoires and conduct their own labor contracting businesses. Few labor contractors sell housing and food to workers.

Employment relationships between contractors and workers are fairly stable. Most FLCs stay in touch with some former employees during the off-season and use recalls to assemble their crews. About half of a FLC's workforce is composed of returnees from the previous year. Less than a quarter of the workers, however, stay for the full work year. The average count of persons that contractors employ sometime during the year is 3.7 times their number of jobs at peak. Most recruitment is through referrals from foremen and current crew members; hiring of walk-ins is also very common. A substantial minority of contractors place orders with the EDD Job Service, but none find their best workers this way. All say that they place importance on the obligation to verify workers' eligibility for employment in the U.S.

In larger contracting businesses, as in other types of organization, there is more division of authority, and top level managers (including owners) tend to have little or no day to day contact with people at the production work level. They influence workers mainly through their selection and management of foremen, who may operate more like subcontractors than direct employees. Many foremen work for more than one contractor during a season. A mayordomo's consistency of employment with a given FLC appears to be weakest in Imperial.

It is common for customers to work with FLCs in not only determining standards and methods for production but also setting terms of employment for workers. Conversely, but to a lesser extent, contractors assist growers in making production decisions.

6. Regional Differences

Imperial FLCs are the largest, by average payroll and employment. They have the most experience in the contracting business. A high proportion are non-Hispanics (36 percent Anglo). They have the highest levels of education and non-agricultural experience among all regions. Most (79 percent) are involved in at least one other business; nearly two-thirds have custom harvesting operations and one-half trucking firms. Imperial contractors are most likely to own computers, buses, and harvesting equipment. More than one-fourth put their customer contracts into written form, and some contractors have close partnerships with growers. Foremen in this region tend to have the bulk of responsibility for employment relations with workers, and they are least committed to working for a single FLC. Weekly and daily shifting of foreman-contractor alignments is not uncommon.

Ventura FLCs are largely Mexican-born immigrants. Their average level of education in Mexican schools is the highest in the survey sample. All use the phone to contact former workers, and none report owning buses. The proportion of their 1990 business with customers for whom they worked three years is the lowest among regions. Perhaps because FLCs in the Ventura region are in business more than ten months per year, the average portion of workers remaining with them for the entire work year is highest.

Monterey has the greatest proportion of large firms in its FLC population, and its contractor payrolls are almost as large as in Imperial. As a group, Monterey FLCs are the most recent entrants into the business and work the longest average year. Though the proportion of Hispanics there is even higher than in Ventura, half were born in the United States. Contractors in this region have high stability of relations with customers and make the greatest use of written contracts. Worker wages and workforce stability there are also relatively high; the ratio of persons employed during the year to peak number of jobs is lowest. Monterey contractors most commonly charge a commission exclusive of payroll taxes and mandatory insurance, which are itemized as additional expenses to customers.

Fresno contractors, though predominantly Hispanic, are most likely to be born in the United States (62 percent). They own twice as many pieces of harvest equipment as the average in all regions taken together, and more than two of five operate their own farms. FLCs in this region tend to have the greatest number of customers and experience intense competition for their business. The FLC work year is relatively short in Fresno.

San Joaquin FLCs differ the most from Imperial's in several respects. Its FLCs have the smallest average payroll and employment and the shortest work year (less than seven months). Their average educational level, facility with English, use of computers, and involvement in other businesses is least among all regions. Nearly half have no other operations. The proportion of Hispanics is similar to that in Fresno, but two-thirds were born in Mexico. Women are most heavily represented as FLCs in this region (18 percent). San Joaquin contractors are most likely to personally hire, supervise, and communicate directly with workers, and to stay in touch with them in the off-season.

7. Operation under Public Policy

To enter the contracting business is fairly easy. It requires little or no investment in capital, and less than a third of FLCs regard the license examination and bonding requirements as difficult to meet. To operate as a contractor in full compliance with the law, however, is much more difficult.

The overall extent of activity by unlicensed FLCs is probably smaller than most people assume. Referrals obtained from both government agencies and local contacts led to few unlicensed contractors. Most of the persons named by these sources and located by survey staff turned out to be foremen who are not required to have a state license. Inconsistency between official definitions of "FLC" and ambiguity within a definition add to challenges of both accurately describing and effectively regulating the population of contractors.

FLCs are aware of regulations and the presence of enforcers. The level of enforcement activity by respective agencies varies from region to region, but the sum of all agency activity reaches a uniformly large proportion of FLCs in every region. Only one in five contractors was not inspected by at least one agency during the 1987-90 period.

Contractors are concerned about regulatory priorities and the irony of greater attention being given by administrative agencies to those who are more stable and observant of applicable laws. Despite the high proportion of all FLC activity performed by "visible" and larger firms, illegal operators have a strong influence on labor market standards. Many survey respondents want them to be more vigorously policed. Operators who offer prices that do not yield them enough to meet all obligations to employees and government put competitive pressure on others to reduce costs through whatever means possible.

FLCs are geared to meet government reporting obligations as a basic part of their business. Most say that they are able to provide more specific information that EDD could use to improve specificity of UI records and thus precision of activity estimates made from them. Quality of the UI data within the current SIC structure, however, is questionable. Sizable discrepancies are found between reported payroll in UI files and interview response data that could indicate erroneous reporting or processing of data routinely collected by EDD. Whatever the cause, this finding implies that estimates of employer activity garnered from the file should be interpreted with great caution.

One-third of contractors express interest in having publicly sponsored education pertinent to FLCs. Fewer suggest government taking more action in such areas as law enforcement, workers' compensation reform, commission and wage setting, collection of payments due, required record-keeping and reporting, FLC licensing, and worker housing.

8. Recommendations for the Employment Development Department

a. Definition of FLCs and Agents

Defining who is a FLC is fundamental to understanding, communicating with, and regulating FLCs. Though quite a bit more specific on farm labor contracting than the broad definition of *labor contractor* that was found to confuse Deputy Labor Commissioners and judges alike in the 1940s, the current California statute does not distinguish well among persons who provide for a fee different sets of labor services.

Variously labeled entities (e.g., custom harvesters, FLCs, foremen and crew bosses, recruiters, day-haulers) may carry the same responsibilities in practice, and seemingly similar entities may do different things. Clear distinctions based on functions actually performed would help reduce uncertainties among FLCs and other service providers, customers, workers, and enforcement agency staff about the applicability of public policies, particularly the requirement to obtain an FLC license.

EDD should request the state Department of Industrial Relations to clarify the meaning of *farm labor contractor*, even if for no other purpose than to improve its own guidelines for assigning SIC codes. The definition of FLC should be posted in field offices and published in informational brochures, forms, reports, and other vehicles that the Department uses to broadly inform contractors, foremen, customers, and the public. In the absence of an adequate definition from DIR, EDD should state explicitly its own working criteria for classification under code 0761, with advice from parties in the agricultural community and regulatory agencies.

Over the long term, the rationale and effects of California defining FLC differently from federal law should be assessed. A useful examination would depend on having each definition unambiguously interpreted.

b. Reporting to the Unemployment Insurance File

Because the UI file is heavily used by government agencies and researchers to examine agricultural employment in California, EDD should try to improve the quality and precision of FLC activity data contained in the file. A first step would be to provide for periodic verification of the SIC code to which every employer is assigned. Employer responses to regular questioning (even if staggered over several years) about their industry could be used to correct erroneous initial SIC code assignments and update for shifts in business emphasis.

Additional information from employers, beyond what is needed to assign SIC codes indicating their primary business, can be used for better estimating FLC employment and wages by commodity type. It is impossible to know from existing UI records how much labor contracting activity takes place in each crop. Contractors are currently obligated to report their wages by commodity, but not to EDD. Their workers' compensation (WC) premiums are based partly on annual statements to insurance carriers detailing their payroll by "industry" (i.e., crop type for most agricultural work; see Table E-7). Although WC industry classification differs from the SIC code system, a copy of FLCs' annual reports to insurers could provide crop data transferable to their records in the UI file.

Four alternative methods for adding crop information to FLC records in the UI file are described below, in decreasing order of data specificity and probable difficulty to obtain. Each would provide not only for distributing across crops the activity coded under SIC 0761, but also for aggregating as additional FLC employment and wages the labor contracting activity of employers classified under a crop code.

(1) Revise form DE 3DP (employer's Quarterly Contribution Return) to ask quarterly for (a) all employers under 0761 to specify (a limited number of) crops worked and to estimate the portion of total wages paid in each, and (b) all employers under other agricultural codes to indicate if they performed labor contracting activity and to estimate the portion of total wages paid in that activity. Gathering additional data this way has advantages of building on a regular filing, staying current, and maintaining the basis for describing quarterly variations. Disadvantages are that a basic filing form would have to be altered for all respondents,

and that employers may be unable or unwilling to offer good estimates. Furthermore, the additional data could be collected only through a legislative or regulatory change.

(2) Revise the DE 3DP to request the information listed above only once per year. This approach would build on regular filing and represent less of an intrusion to the responding employer. It nevertheless requires change in a basic form and yields no basis for describing quarterly variations. A legislative or regulatory change would be necessary to require this information from employers.

(3) Send a separate brief survey yearly to all employers who file under 0761 and to a stratified sample of employers under other agricultural codes, requesting quarterly information specified in #1 above and explaining the reason for it. Extrapolate from responses received, by crop and region strata, to estimate (a) distribution of FLC activity over crops and regions, and (b) additional contracting activity of non-0761 farm employers.

(4) Using any of the three vehicles above, request simply (a) employers who file under 0761 to specify one or more crops worked, in order of amount of wages paid in them, and (b) employers under other agricultural codes to indicate whether they performed labor contracting activity during the period. This information would be easier for employers to provide and would probably be given by a larger proportion; but without heroic assumptions it could not be used for correcting the distributions of total employment and wages reported.

c. Linkage of Agency Records

EDD should consider taking the lead in moving toward an interagency data system on FLCs. At a minimum, the Department should seek agreement with DIR and DOL on using a common identifier, such as employer tax ID number or one principal's social security number, for records on the same labor contractor in each of the three agency systems. Linked or merged records could be used as the basis for (1) notices to contractors about registration, licensing, and permit deadlines, (2) verification at local EDD offices by prospective customers that an FLC is currently registered and licensed, and (3) planning of enforcement efforts. The use of common identifiers would require additional legislation since a recent feasibility study for joint enforcement actions between EDD, DIR, Franchise Tax Board, and other state departments determined that for all agencies to convert to one common identifier would result in significant fiscal impact to the employer community as well as to each involved agency.

d. Facilitation of Compliance

EDD should collaborate with other administrative agencies to enable and encourage FLCs to operate within established public policies. A vast amount of law currently applies to employers in general, farmers in particular, and labor contractors specifically. Failures to meet legal standards may stem from (1) lack of understanding about standards and requirements, (2) inability to comply with them, or (3) willful disregard, presumably in rational service to another interest. Compliance can therefore be enhanced through measures to inform FLCs of what the public expects, to screen for and develop their abilities, and to distinguish between legal and illegal operation.

Problems of not knowing the rules can be alleviated through an increased flow of information to contractors and their foremen through meetings and reference materials (publications, video cassettes) in Spanish and English. Bilingual enclosures with administrative mailings to contractors as well as to growers and packing houses may be effective supplementary vehicles. EDD should enlist and assist commodity associations, agricultural commissioners, and public educational institutions to develop programs for labor contractors. It should use these organizations and its own field offices as channels for receiving questions, concerns, and other communications from FLCs.

If DIR or DOL were interested in assessing whether licensing and registration requirements effectively screen for all the knowledge and other assets needed to function as a farm labor contractor, EDD could assist through conducting detailed analyses of FLC jobs. EDD might also consider co-sponsoring FLC information and registration "centers" once yearly in each major production region of California. Both contractors and agencies may benefit if there was a single place to obtain information or file forms related to most legal requirements of doing business as an FLC. Agencies to consult about participating in such centers would include: U.S. Department of Labor, California Department of Industrial Relations (including its Division of Occupational Safety and Health), County Agricultural Commissioners, California Highway Patrol, Franchise Tax Board, Internal Revenue Service, U.S. Department of Justice, California Department of Housing and Community Development, and City and County Health Departments.

Discussions exploring the feasibility of coordinating governmental certification and inspection processes should be continued. Efforts to enhance interagency communication could bring about administrative efficiencies and a reduction in competitive disadvantage for FLCs who operate within the law.

9. Additional Concerns

The present survey revealed circumstances that, while related to recommendations for EDD, also merit consideration by other public bodies.

a. Meeting Registration, License, and Permit Requirements

Farm labor contractors have to deal with various agencies at federal, state, and county levels to meet requirements for legal operation. It can be difficult to find out about, comprehend, and complete all the procedures involved. Administrative agencies are generally spread geographically, and they maintain separate data systems. Coordination if not centralization of processes for registration, licensing, and permitting, and of agency record keeping, could result in both lower administrative costs and improved FLC compliance.

b. Regulatory Coverage of Foremen

Foremen and other FLC employees who perform labor contracting activity are required by federal law to register with the U.S. Department of Labor, but only those who fit the state definition of day-hauler are directly regulated by California law. Although FLCs may be held responsible under state law for the actions of foremen serving as their agents, foremen often operate with a large degree of autonomy. The less managerial control an FLC has of a foreman, the less likely is regulation of the former to effectively influence the latter.

c. Distribution of Enforcement Efforts

Rates of inspection by enforcement agencies are reported to be greater among larger FLCs, who tend to be more knowledgeable about their legal obligations as well as more visible and accessible to agency staff. Smaller and less stable contractors, though accounting for much less activity than large ones, affect standards of markets in which all compete for business. Enforcement attention to FLCs of any size or location category has impact well beyond the individual operations inspected.

10. Issues for Further Research

Some growers perform for themselves exactly the same labor management services that others hire FLCs to provide because of ability, cost, and responsibility factors. The general reasons for hiring contractors in 1990 appear essentially the same as those cited by Bruce in 1948: ". . . because they think contractors may perform the necessary functions better, or at less cost, or in such a way as to remove burdensome responsibilities from producers."[4]

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[4] Alan Bruce, *Farm Labor Contractors in California*, Draft Report to the Labor Commissioner, Department of Industrial Relations, State of California, 1948.

What specifically does a grower gain and lose by contracting with an FLC rather than hiring workers directly? This study was not designed to address the question, and the data at hand give us no basis for an adequate answer. FLCs believe that growers have a variety of reasons for hiring them, citing most frequently the purpose of reducing paperwork. Some customers interviewed say that they see themselves as marketers or deal makers rather than farmers and simply would not consider having production tasks done through other than the contracting mechanism.

Are workers better or worse off working for an FLC than a grower? Do contractors offer more employment during the year than workers could get by dealing directly with a series of growers? Do they employ fewer total workers than would be hired directly? How do their terms and conditions of employment compare with those offered by growers and packing houses? As with relative outcomes for growers, the present survey does not answer these questions or assess the prevalence of abuses with which FLCs have been associated in personal and media reports.

Appendix 1

County ____________
Questionnaire #__________

SURVEY OF FARM LABOR CONTRACTORS

I am working for the University of California and the California Institute for Rural Studies. We are conducting a survey for the California Employment Development Department, which wants to get a better understanding of the farm labor contracting business and the needs of farm labor contractors. We will interview approximately 180 FLCs in 6 counties around the state. We believe that this study could also help improve the image of FLCs.

I'd like to ask you to participate in this study. All information that you provide will be held in strict confidence and will be used only in combination with other responses. Individual contractors will not be identified in any way. Only the combined results of the interviews will be reported, for example: "50 percent of FLCs in this county think that it was easier to recruit workers in 1990 than in 1989."

Your name was randomly selected from a list of (registered) FLCs in this county and your answers are very important for the accuracy of our results. All answers are voluntary. We would like to have your responses on the complete survey, but we do not want to bother you with questions that you cannot or do not want to answer. Let me know if any of these come up and we will move on to the next question.

With your permission, I would like to begin the interview now. If you are too busy right now, we could set up an appointment for tomorrow or the next day.

Appointment Time:
Date:______________ Time: ________________

First, did you work as a FLC in [this study county] in 1990? y/n
(STOP here if the answer is no.)

****

Name of Contractor ______________________________
DBA* ______________________________
Street Address ______________________________
City, CA, zip code ______________________________
County of registration ______________________________

Name of person interviewed ______________________________
Explain if different from name on license: ______________________________
Address where interview took place ______________________________
Language interview was conducted in ______________________________
Date of Interview ______________
Beginning time ______________ Ending time ______________
Name of Interviewer ______________________________

Comments about interview
* Explain if contractor is doing business under more than one company name

____
____
____
____
____
____
____
____
____
____

County __________
Questionnaire #__________

Reminder to Interviewers: Do not read the "choices". If the answer you receive doesn't easily fall under one of the choice categories, write the answer by "other".

A. Identity and Administration of FLC Business

To begin with, I would like to ask you some general questions about your business.

A1. What year did you start working as an FLC? __________

A2. What type of work did you do last before becoming an FLC?

a. industry __________
b. job __________

(Note other comments offered on FLC's background)

____
____

A3. What is the main reason that you decided to become an FLC?*(Enter main reason - Don't prompt. If answer doesn't fit in a choice category, enter explanation on #7.)* __________

Choices:
1) Income
2) Working for self
3) To help workers
4) Prefers ag work
5) Prefers work outdoors
6) Father (other family member) was an FLC/family business
7) Reorganization of company in which I was employed
8) Other: Explain

____
____

A4. Before you became an FLC, did you work in any of the following jobs? If so, how many years did you work in each job? *(If the answer is no, record 0 years)*

a. Field worker ______ yrs
b. Foreman or field supervisor ______ yrs
c. Manager or grower ______ yrs
d. Supervisor or manager outside of agriculture ______ yrs

A5. How many members of your immediate family work in your FLC business? *(Immediate family includes spouse, children, parents, brothers and sisters and their spouses) - Skip to A7 if the answer is 0.* __________

A6. What kind of work do they do in the business?

a. Bookkeeping, accounting y/n
b. Other office work y/n
c. Field supervision (including foremen) y/n
d. Other field work y/n
e. Other: specify __________ y/n

A7. Who generally handles each of the following administrative jobs?

Choices:
1) FLC (yourself)
2) Foremen or supervisor
3) Family member
4) Hired accountant, bookkeeper or other office employee
5) Outside accountant or bookkeeper (works for you and possibly others)
6) Grower or packing house
7) Other (Specify) ____________
8) Not done

a. Recordkeeping of Hours/Units and Wages for Employees ____________
b. Preparing the payroll ____________
c. Completing I-9 forms ____________
d. Bookkeeping (keeping track of income and expenses) ____________
e. Preparing W-2's and W-3's ____________
f. Preparing other reports for government agencies (Such as DE 3DP or DE3 for EDD, ESA-92, etc.) ____________

A8. Do you keep any of the following types of records on a computer?

a. Production and payroll y/n
b. Personnel data (dates of employment, I-9, job, discipline, etc.) y/n

Comments, name of computer program(s), if mentioned: ____________________________
____

A9. Do you or other managers in your FLC business operate any of these other types of business?

a. Farming (growing crops) y/n
b. Custom harvesting y/n
c. Farm management company y/n
d. Trucking ag products y/n
e. Packing shed/packing house y/n
f. Rental housing y/n
g. Restaurant/bar y/n
h. Other (specify) ____________ y/n

A10. How many foremen (mayordomos) did you employ at peak of season last year (1990)? *(Skip to A12. if the answer is "0".)* ____________

A11. How many foremen did you keep employed as foremen for your whole working year (1990)? ____________

A12. How many field supervisors (those who supervise the foremen) did you hire at peak in 1990? *(Skip to A14 if the answer is 0)* ____________

A13. How many field supervisors did you keep employed for your whole working year (1990)? ____________

A14. How many office staff did you employ at peak in 1990 (e.g. bookkeeper, secretary, etc.)? ____________

A15. How did the gross revenue from your FLC business in 1990 (1099 totals) compare to 1989? ____________

Read Choices:
1) More
2) Less
3) The same
4) Not in business in 1989

B. Market Niche and Grower Relations

Next, I would like to ask about your general dealings with customers, including the growers and packing houses you worked for.

B1. What counties did you perform work in during 1990? List up to 5 counties in order of greatest earnings. (Indicate the state if a county is outside of California.)
(Code from county and/or state index in order of greatest earnings, 5 max)

a. ________
b. ________
c. ________
d. ________
e. ________
f. ________
g. ________
h. ________

B2. How many months did you work as an FLC in 1990? *(Skip to B4 if the answer is 12.)* ________

B3. What kind of work, if any, did you do during the off season in 1990, when you were not working as a contractor?

Choices:
1) Preparing for next season in FLC business y/n
2) Ag employee (working directly for grower) y/n
3) Other business (Specify)________ y/n
4) Other (Specify)________ y/n

B4. How many customers (growers or packing houses) did you work for in 1990? ________

B5. With how many of them did you have written contracts in 1990? ________

B6. How many of your 1990 customers have you worked for at least 3 years? ________

B7. How many of your customers did you work for in 1990 for the first time ?*(Skip to B10 if answer is 0)* _

B9a. How many customers that you had in 1989 did you lose to other FLCs in 1990? ________

B9o. 0/1 Do you know why?________________
____

B10. What do you do to find new customers? Do you do any of the following:

Choices:
1) Receive calls from customers who heard of me through word of mouth y/n
2) Advertise (trade publications, newspaper, radio, t.v.) y/n
3) Contact growers in general y/n
4) Contact growers who were referred to me by someone else (another FLC, grower, friend, etc.) y/n
5) Contact growers I was employed by y/n
6) Other (Specify)________ y/n

B11. Through which of the above methods have you gotten the most new customers in recent years? *(Refer to choices in previous question)* ________

B12. Do you normally provide any of the following reports or written information to your customers?

a. Your FLC license number y/n
b. I-9 forms (or copies) for each worker y/n
c. Names of workers y/n
g. Rates of pay y/n
h. Total hours (or units) worked y/n

We want to get a picture of all the crops you work in and how your FLC business changes through the seasons. Let's start with January, 1990 and go through the year.

B13. What was the first [next] crop and task that you worked in last year (1990)?

a. Crop ________
b. Task ________

B14. What was the approximate date when you started working in this crop and task. About how many weeks did you work in it or what was the approximate ending date?

a. Approximate Start Date (mo/day): ________
b. # of Weeks ________
or c. Approximate Ending Date (mo/day): ________

B15. How many field workers did you have working at peak in this crop and task? ________

B16. What was the average wage rate you paid to workers at peak?
(Code all 8's if respondent does not want to give amounts. If the answer is an hourly rate plus a bonus, enter under a and b.)

a. Hourly rate ________
b1. Piece rate ________
b2. Piece unit ________
b3. (1) Individual (2) Group ________
c. 0/1 Other (Explain method of calculation and amount paid) ________
____
d. Don't know ________

B17. If you've worked in this crop and task already in 1991, what is the most recent or current wage rates you have paid in 1991?

a. Hourly rate ________
b1. Piece rate ________
b2. Piece unit ________
b3. (1) Individual (2) Group ________
c. 0/1 Other (Explain method of calculation and amount paid) ________
____
d. Don't know ________

Comments ________
____
____
____
____
____
____

Repeat for each crop and task in which the FLC worked at least one week in 1990 (up to 10). Answer on the grid below. If respondent had more than one wage rate, use most common rate or treat different rates as different crops and tasks. Use crop and task indices for coding.

	Crop & Task 2	Crop & Task 3	Crop&Task 4	Crop & Task 5	Crop &Task 6
B13. a. Crop					
b. Task					
B14. a. Start date(mo/day)					
b. # Weeks					
c. End date					
B15. a. Peak # workers					
B16. Average Peak Wages					
a. Hourly rate					
b1. Piece rate					
b2. Piece unit					
b3. (1) Indiv. (2) Group					
c. Other: __________					
d. Don't know					
B17. Recent 1991 Wage					
a. Hourly rate					
b1. Piece rate					
b2. Piece unit					
b3. (1) Indiv. (2) Group					
c. Other: __________					
d. Don't know					

	Crop & Task 7	Crop&Task 8	Crop & Task 9	Crop & Task 10
B13. a. Crop				
b. Task				
B14. a. Start date(mo/day)				
b. # Weeks				
c. End date				
B15. a. Peak # workers				
B16. Average Peak Wages				
a. Hourly rate				
b1. Piece rate				
b2. Piece unit				
b3. (1) Indiv. (2) Group				
c. Other: __________				
d. Don't know				
B17. Recent 1991 Wage				
a. Hourly rate				
b1. Piece rate				
b2. Piece unit				
b3. (1) Indiv. (2) Group				
c. Other: __________				
d. Don't know				

B18. In any of these crops, are wages adjusted (reduced) for violations of performance standards, safety rules or other workplace rules? y/n

Explain ____

____

____

____

B19. Are there any crops and tasks that you have worked in and you would not work in anymore? Why? y/n

Crop	Task	Reason 0/1
a. ______	______	______
b. ______	______	______
c. ______	______	______

B20. Are there any other crops and tasks that you want to avoid? Why? y/n

Crop	Task	Reason 0/1
a. ______	______	______
b. ______	______	______
c. ______	______	______

Now I have some questions about the crop and task in which you had the largest payroll in 1990.

B21. In which crop & task did you have the largest payroll in 1990?

Crop a. ______
Task b. ______

B22. How many growers or packing sheds did you work for in this crop and task in 1990? ______

B23. About how much did workers earn per day at peak in this crop and task?

a. Hourly Rate ______
b. Piece Rate: typical fast worker ______
c. Piece rate: typical slow worker ______

B24. In this crop and task did you or you customer usually decide the following:

Choices:
1) FLC mostly
2) Joint decision
3) Customer mostly (Use also if customer is grower, but decision is made by the packing house)

a. Schedule of work ______
b. Method of carrying out specified task (how to pick, prune, etc.) ______
c. Wages and benefits of workers ______
d. Performance standard expected of workers (quality of work) ______
e. Commission paid to the FLC ______

B25. How did you figure your charges to customers for this work? *(Note difference between b & c. In b, payroll taxes are paid out of the commission. In c, the commission is a percentage of total wages and payroll taxes and is for profit only. Use Unit Index to code piece rate unit.)*

a Straight Piece rate: Amount $______
per ______
b. Wages only + Percentage Commission: % Commission ______
c. Wages + Payroll taxes + % Commission on this total: % Commission ______
d. 0/1 Other: (Explain method of calculation and rate)
______
______

Comments: (Note if FLC volunteers information about calculation of commission such as X% for Workers Compensation, X% for Unemployment Insurance, etc.)
______
______

B26. Under the commission arrangement, which of the following do you supply and which does the customer pay for or provide directly?

Read Choices:
1) FLC
2) Grower
3) Joint
4) Neither

a. Workers tools or equipment (Specify) ________ ________
b. Provision of harvest equipment (Specify) ________ ________
c. Hauling the crop out of field ________
d. Drinking water in fields ________
e. Field toilets ________
f. Hand washing facilities in fields ________
g. Supervision of workers ________
h. Payment of workers ________
i. Payment of payroll taxes ________

B27. How often do most of your customers pay you in this crop and task? ________

Choices:
1) Weekly
2) Biweekly
3) Monthly
4) When job completed
5) When job completed and an advance
6) Other (Specify) ________

C. Personnel Management and Employee Relations

The next set of questions is about the workers employed in your business, how you recruit them, and how you manage them.

C1. What is the greatest number of workers that you employed in any single pay period in 1990? ________

C2. How many field workers did you employ altogether in 1990? (total W-2s or I-9s)? ________

C3. Was this the same, more or fewer workers as in 1989? ________

Choices:
1) Same
2) Fewer
3) More
4) Not in business in 1989

C4. About how many of these workers in 1990 had also worked for you in a previous year? # ________ or % ________
Comments about turnover, etc.: ________

C5. About how many of your 1990 employees did you (or your supervisors or foremen) contact during the off-season (more than one month before work began)? *(Skip to C7 if the answer is 0)* # ________ or % ________

C6. How did you contact them?

a. By letter or card y/n
b. By phone y/n
c. Visit y/n
d. Sent a message through a friend or relative y/n
e. Other (Specify) ________ y/n

C7. Which of the following methods (if any) do you normally use to look for new employees? *(Let FLC give answers first, then ask about those he has not mentioned.)*

(1)	a.	Ask your foreman or supervisor to recruit	y/n
(2)	b.	Ask other employees of yours to refer workers they know	y/n
(3)	c.	Ask individual contractors or growers to refer workers	y/n
(4)	d.	Use referral system organized by growers or packing houses	y/n
(5)	e.	Post sign(s)	y/n
(6)	f.	Advertise on the radio or in newspaper	y/n
(7)	g.	Place job order with EDD Employment Service	y/n
(8)	h.	Personally go to where workers live	y/n
(9)	i.	Nothing in particular, they just walk in looking for work	y/n
(10)	j.	Other (Specify)____________________	y/n

C8. Through which one of these recruitment channels did you obtain the most new workers in 1990? *(Record numerical method code [in parentheses] from previous question.)* ____________

C9. Through which channel did you find the best new workers? *(Record numerical method code [in parentheses] from C7.)* ____________

C10. Did you do any recruiting outside the counties where you office(s) or job sites are located?*(Skip to C12 if the answer is no)* y/n

C11. If so, where? *(Interviewer: You can just write in the answers the FLC gives you. On the coding sheet, enter y/n choices and do not write in the place names.)*

____

a.	Other California counties	y/n
b.	Other states in U.S.	y/n
c.	Mexico	y/n
d.	Other (Specify)____________	y/n

C12. In completing any work for which you contracted in 1990,

a.	Did you ever hire an available crew from another FLC to supplement your own employees?	y/n
b.	Did you subcontract any of the work to another FLC?.	y/n

C13. Was it easier or harder to recruit workers in 1990 compared to 1989? ____________

Choices:
1) Easier to find workers in 1990 than 1989
2) Harder to find workers in 1990 than 1989
3) Same in 1990 and 1989
4) Not in business in 1989
5) No opinion

C14. How many job orders did you place with the EDD Employment Service in 1990? *(Skip to C18 if the answer is "0".)* ____________

C15. How many of these job orders were filled? ____________

C16. Were you satisfied with the ES response? ____________

Choices:
1) Usually satisfied
2) Sometime satisfied
3) Not satisfied

C17. Why: 0/1__________________________________

____

C18. About how many of your workers in 1990 worked for you year-round or the entire time you worked as an FLC? # ________ or % ________

C19. **About how many of your field employees in 1990 were:** # ______ or % ______

a.Women (Note crop[s] and task[s]):

	Crop	Task
0/1	______	______
	______	______
	______	______
	______	______

b. Settled with their families in this area. (Include those who return to Mexico for 2-3 months each year) # ______ or % ______

0/1 Comments: ______________________________

____

C20. Is there any state in Mexico that most of your Mexican workers originally come from? ______

Choices for States:

1) Baja California
2) Chihuahua
3) Guerrero
4) Guanajuato
5) Nuevo Leon
6) Jalisco
7) Michoacan
8) Oaxaca
9) Sinaloa
10) Sonora
11.) Other (Specify) ______
12.) No predominant state or don't know

C21. Who makes most of the hiring decisions for field workers? ______

Choices:

1) FLC
2) Field supervisor
3) Foreman
4) Grower, grower rep. or packing house rep.
5) Other (Specify) ______

C22. In deciding whether to hire a worker, do you use information from any of the following: *(If answers vary by crops, ask about main crop and task used above and enter 1 here. Otherwise, enter 0 here.)* ______

a. Written application y/n
b. Test of skills, ability, or knowledge y/n
c. Interview with worker y/n
d. Reference from other employers y/n

C23. How important is each of the following in the decision to hire a field worker? *(If answers vary by crops, ask about main crop and task used above and enter 1 here. Otherwise, enter 0 here.)* ______

Read Choices:

1) Very Important
2) Somewhat important
3) Not important

a. Prior experience in the same crop and task ______
b. Prior ag experience in other crops ______
c. Contents of reference from previous employer or other worker ______
d. Demonstration of ability ______
e. Legal documents or immigration status ______
f. Compatibility with rest of crew ______
g. Other (Specify) ______ ______

0/1 Comments volunteered on hiring: ______________________________

____

The next questions are about how you manage people after they're hired.

C24. How are new workers informed about what is expected of them when they first begin to work for you (your general rules and policies such as the quality of work expected, your discipline procedures, etc.) ?

a. Written notice or handbook y/n
b. Oral explanation by FLC y/n
c. Oral explanation by foremen/or supervisors y/n
d. Other (Specify) ____________ y/n

C25. What terms of employment do you post or specify in writing for field workers (in a contract, handbook, etc.) when starting to work at a new site?

a. Wages y/n
b. Benefits y/n
c. Crops & tasks y/n
d. Location of work site y/n
e. Length of employment y/n
f. Other(Specify) ________________ y/n

C26. Who normally gives instructions to workers on how to do the work at each new work site? ________________

Choices:
1) FLC
2) Field supervisor
3) Foreman (mayordomo)
4) Grower, grower rep, or packing house rep
5) Other (Specify) ____________________

C27. Do you have any rules or policies to help prevent on-the-job injuries?*(Skip to C30 if answer is no.)* y/n

C28. How are these rules communicated to your employees?

a. Orally by FLC y/n
b. Orally by foreman or supervisor y/n
c. In writing y/n
d. Other (Specify) ______________ y/n

C29. Who sees that your rules for reducing on-the-job injuries are enforced?

a. FLC y/n
b. Foremen and supervisors y/n
d. Grower or packing house rep y/n
f. Insurance companies y/n
g. Other (Specify) ______________ y/n

C30. Did you provide any training to field workers in 1990 on how to work safely or how to avoid hazards? *(Skip to C32 if the answer if no.)* y/n

C31. Was the training given to workers during paid work time? y/n

C32. Have you given your foremen & field supervisors information on any of the following aspects of pesticide safety?

a. What posting means and what activities are prohibited during a reentry interval y/n
b. Symptoms of pesticide poisoning y/n
c. Where to go for emergency medical care y/n

C33. Where do you get information about safe work practices?

a. Your insurance company y/n
b. Grower or employer associations y/n
c. Ag Extension advisors or other University programs y/n
d. County Agricultural Commissioner y/n
e. Other government agencies y/n
f. Other FLCs or growers y/n
g. Magazines or newspapers y/n
h. Other (Specify)________________ y/n

C34a. What is your Workers' Compensation Insurance experience modification factor? __________

C34o. 0/1Comments ____

____

____

C35. Do you keep written evaluations of employee performance? __________

Choices:
1) Never
2) Occasionally
3) Regularly

C36. Who makes the final decision which workers or crews to lay off first when the work is slowing down? ____

Choices:
1) FLC
2) Field supervisor
3) Foreman (mayordomo)
4) Grower, grower rep, or packing house rep
5) Other (Specify)________________

C37. How does that person decide which crew or workers to lay off? __________

Choices:
1) Seniority
2) Least skilled or productive crew/workers laid off first
3) Combination of seniority and skill/productivity
4) Other (Explain)____________________
____

C38. Who has the authority to fire one of your field workers?

a. FLC y/n
b. Field supervisor y/n
c. Foreman, (mayordomo) y/n
d. Grower, grower rep, or packing house rep y/n
e. Other (Specify)__________________ y/n

C39. How often do you pay field workers? __________

Choices:
1) Daily
2) Weekly
3) Bi-weekly
4) Monthly
5) When job completed
6) Other (Explain)____________________
____

C40. In what form do you pay them? __________

Choices:
1) Check
2) Cash
3) Combination check & cash
4) Other (Specify)________________

C41. Do you give workers a pay stub or other written statement of earnings and deductions? y/n

C42. Do you ever pay different wage rates to different workers in the same crew doing the same work? *(Skip to C44 if the answer is no.)* y/n

C43. If so, what is the basis for the variations in wage rates? ____________

Choices:
1) Length of employment/seniority
2) Previous experience of worker
3) Productivity/quality of work
4) Individual wage negotiations
5) Other (Specify) ____________

C44. Do you pay any of the following benefits to or for field workers? If so about how many or what % of your peak employees are eligible? *(If benefit is not paid, enter zero.)*

	#	or	%
a. Unemployment insurance	________		________
b. Workers' Compensation Insurance	________		________
c. Social Security Employer contrib.	________		________
d. Health insurance	________		________
e. Paid vacation days	________		________
f. Paid sick leave	________		________
g. Stand by time or "wet time"	________		________
h. "Show up" wages when told to report but no work available (Not because of an "act of God")	________		________
i. Bonuses (Specify type) ____________	________		________
j. Other (Specify) ____________	________		________

C45. Do you or your supervisors or foremen provide any of the following services to workers? If so, are workers required to use the service? Is there a cost to workers? Is so, would you be willing to tell me what it is?

Service	Provided by FLC (1) or Foreman (2)? or Both (3)	Req? (y/n)	Charge to wkr? (y/n)	Cost to Wkr
a. Transportation	________	______	______	______
b. Housing (camp, rental house)	________	______	______	______
c. Tools/other equipment	________	XXXXXX	______	XXXXXXX
(Specify those in addition to B26) ____________				
d. Food/beverages in fields	________	XXXXXX	______	XXXXXXX
Specify: ____________				
e. Check cashing	________	______	______	______
f. Other: ________	________	______	______	______

0/1 Comments ____

____

C46. What was the approximate amount of your total payroll for all employees in 1990? ____________

C47. Was this amount the same, more, or less than in 1989? ____________

Choices:
1) Same
2) More
3) Less
4) Not in business in 1989

C48. Do you own any of the following equipment for your contracting business? If so, approximately how many? *(Record "0" in each column in which none are owned.)*

	Own
a. Tractors	______
b. Harvest equipment (Specify)______	______
c. Hauling equipment (Specify)______	______
d. Buses	______
e. Vans	______
f. Field Toilets	______
g. Field hand washing facilities	______
h. Pick-up trucks	______

D. Government Relations

The next few questions are about the government agencies that you have contacted or that have contacted you.

D1. What government agencies have you contacted for information or assistance for your FLC business in the last two years?

Choices:
1) DOL
2) DIR (State Labor Commission)
3) EDD
4) OSHA (Fed or CA)
5) INS
6) County Ag Commissioner
7) Other (Specify)______

a. ______
b. ______
c. ______
d. ______

D2. Do you have any problems understanding or completing the EDD forms? (DE 3B, DE 3DP, DE 43) y/n
Explain:______
______

D3. How many worker UI claims have you contested in the last 3 years? *(Get best estimate if the answer is not known.)* ______

D4. In what year did you first register for a federal FLC license under the name on your current license?______

D5. Did you first get a state FLC license that same year under this name? If not, when? *(Code yr of state FLC license)* ______

D6a. Have you ever worked under any other state FLC license(s)? If so how many? *(Code the number of licenses. If none code 0)* ______

D6o. 0/1 Comments:______
______
______

D7. How would you rate the difficulty of the state FLC licensing test? ______

Choices:
1) Very difficult
2) Moderate
3) Easy
4) Didn't take it
5) Don't remember

D8. How hard was it for you to post the required state bond? ____________

Choices:
1) Very difficult
2) Moderate
3) Easy
4) Didn't post it

D9. How many of your foremen and supervisors are registered with DOL? ____________

D10. Have representatives of any of the following agencies inspected your business since the beginning of 1987?

a. INS y/n
b. DOL y/n
c. State Labor Commissioner y/n
d. Cal or Fed OSHA y/n
e. Other agency (Specify)____________ y/n

D11. Have you been given any fines, citations or penalties since the beginning of 1987? If so, how many? Do you know what agency (ies) gave you the fine(s) or citation(s)?

a. y/n
b. Number ____________
c. Agencies (i) ____________
(ii)____________
(iii)____________

Choices for Agencies:
1) INS
2) DOL
3) DIR
4) Cal OSHA or Fed OSHA
5) Other (Specify) ____________

E. System Dynamics and Outlook

Now I would like to ask a few questions about farm labor contracting in general and what you see for the future.

E1. In your opinion, what are the 3 most important reasons that growers are turning to FLCs or custom harvesters instead of hiring workers directly? Start with the most important reason.*(No prompting! Record words used if not clearly captured by #1-10.)*

Choices:
1) To reduce paperwork (I-9s., etc.)
2) To reduce production costs
3) To reduce their supervision responsibilities
4) To improve quality of work
5) To be sure of having workers when needed
6) To handle short term employment or variations in need for labor
7) They can't find workers any other way/don't want to recruit wkrs
8) Because of a labor/management dispute (Specify) ____________
9) To reduce liability under IRCA or other labor laws
10) Language advantage
11) Specialized equipment
12) Other (Specify) All other reasons in order of importance

____

____

____

a. ____________
b. ____________
c. ____________

E2. Do you use any of the following strategies to compete against other FLCs?

a. Charge less than competitors charge y/n
b. Provide better quality work y/n
c. Specialize in certain crops and/or tasks y/n
d. Specialize in scale = small y/n
e. Specialize in scale = large y/n
f. Other (Specify)________________ y/n

E3. What recruitment method(s) would you try if you couldn't find enough workers with your present recruitment methods?
0/1____
____

Ask E4 through E8 only if the FLC seems to be especially insightful or helpful.

E4. How do unregistered FLC's affect your business? *(Record any comments offered about unregistered FLCs and the way they operate.)*
0/1____
____

E5. If you were categorizing FLCs as large, medium or small according to their annual payrolls, what would the ranges be for:

a. Small: up to $__________
b. Large: over $__________
(Medium would be between a and b.)

E6. What are the most difficult aspects of FLC work for you? 0/1________________________
____
____

E7. Would you be willing to specify the crops you work in on the EDD forms DE 4 or DE 3DP? y/n

E8a. Would it be a problem for you if EDD asked you to establish the amount of your payroll that was paid in each crop? y/n

E8o. 0/1 Comments ________________________________
____

E9. Is there anything that you think government agencies, Cooperative Extension, or the University can and should do for FLCs?
0/1 Comments ________________________________
____
____

E10. Is there anything else that you think we should know about FLCs or the contracting business?
0/1 Comments ________________________________
____
____

F. Demographics

I will finish by asking a few questions about yourself.

F1. How old are you? __________

F2. What country and state were you born in? Country ____________
(Enter number for each from lists below) State ____________

Choices for Countries:
1) US.
2) Mexico
3) Philippines
4) India
5) Other (Specify) __________

Choices for States: US. Refer to State Index in Coding Indices for corresponding state code 1 - 50.

Choices for States: Mexico
51) Baja California
52) Chihuahua
53) Guerrero
54) Guanajuato
55) Nuevo Leon
56) Jalisco
57) Michoacan
58) Oaxaca
59) Sinaloa
60) Sonora
61) Other (Specify) ______________

F3. What is the main language that you speak at home? ____________

Choices:
1) English
2) Spanish
3) Tagalog
4) Hindi
5) Other (Specify) ____________

F4. How well do you read and write English? ____________

Choices:
1) Well
2) Okay
3) Only a little
4) Almost none/none

F5. How many grades did you complete in school?

a. US. schools ____________
b. Mexico schools ____________
c. Other schools ____________

Comments about other schooling: ____

____

As part of this survey, we are also interviewing growers to learn more about their views and their reasons for hiring contractors. Would you mind giving the names, addresses & phone numbers of 4 or 5 of your 1990 customers in your major crop? (If fewer than 4, also ask for customers in the next most important crop, by value of payroll.)

	Name	Address	Phone
1.			
2.			
3.			
4.			
5.			

We are also interviewing several workers who are employed by contractors. Would you mind telling us the locations and foremen of 3 of your crews that are presently working? *(Interviewer - If the FLC is working in more than one crop, get names of crews in crop with highest payroll, if possible.)*

Location of 3 crews of workers to contact:

Date ____________ Location ____________
Foreman ____________ Foreman's phone # ____________

Date ____________ Location ____________
Foreman ____________ Foreman's phone # ____________

Date ____________ Location ____________
Foreman ____________ Foreman's phone # ____________

THANK YOU VERY MUCH FOR YOUR COOPERATION

F6. Would you like to receive a summary of this and other studies we have done about FLCs and about why growers hire FLCs? This study will not be completed until early next year, but we will send you a summary then. y/n

F7. Would you like to receive newsletters put out by U.C. Cooperative Extension about new developments in agricultural employment? If so, please fill out and mail these subscription cards.. (Interviewer: leave a sample copy(ies) of newsletters. y/n

(Interviewer, enter the answers to the following questions before leaving the interview.)

G1. Sex: M/F

G2. Ethnic/Racial Group ________

Choices:
1) Hispanic/Chicano/Latino
2) White/Anglo
3) Black
4) American Indian/Central American Indian
5) East Indian
6) Southeast Asian
7) Other (Specify) ________

G3. Ability to speak and understand English ________

Choices:
1) Good
2) Okay
3) Little
4) Almost none

H. Additional information to be added from Records:

		Source	
H1.	SIC code assigned on UI	(EDD 882's)	________
H2.	Total 1991 payroll reported to UI	(EDD 882's)	________
H3.	Mo. avg. no. of wrkrs reported to UI	(EDD 882's)	________
H4.	Date bond posted	(DIR)	________
H5.	Date of state FLC licensing test	(DIR)	________

Comments________

4/26/91

Appendix 2

Notes on Survey Design and Methodology for Data Collection and Processing

1. Survey Instruments

The survey instruments for FLCs, growers, and workers were developed through an iterative process involving project personnel, EDD representatives, and an advisory panel. Basic issues for investigation were stipulated in the EDD Request for Proposals (RFP), augmented in the accepted proposal from UC-CIRS, and clarified in subsequent discussions.

Interview items particularly tied to the RFP elicited information on: reasons for entering the FLC business; types of services performed for customers; crops in which work is performed; other business involvements; structure of contract with client farmers; worker recruitment channels; duration, location, and range of tasks in worker employment; pre-employment screening and job allocation; crew configuration; workday scheduling; orientation and training of new employees; wages and benefits paid to employees; services provided to employees and charges for them; worker performance assessment and review; discipline and discharge policy; use of management information; licensing and registration; and views of the FLC sector as a whole.

Categories of data and specific questions were consolidated from lists that project team members drafted individually. Survey instruments for interviews with FLCs, growers with whom they contract, and workers they employ were circulated among the project personnel and advisory panel members for comments. The grower and worker instruments were relatively brief, with many of the questions corresponding to items on the FLC survey.

After several successive revisions of content, wording, organization, and format, the drafts were sent to the EDD liaison for review. With EDD comments incorporated, each survey instrument was pretested in interviews with several representatives of the target respondent groups. The FLC survey instrument was pre-tested with contractors in Stockton and Fresno, and grower and worker instruments in Fresno.

Information from the pre-tests was incorporated into revised drafts and circulated once again. Additional input from investigators was incorporated into the final draft, which was then used for the initial surveys in Imperial and Ventura Counties. Very minor adjustments based on the interviewing experience in those two areas were made before the survey progressed to the other three regions.

2. Selecting the FLC Sample

Selection of the FLCs to be interviewed in each set of 30 (one set each for Imperial, Ventura, Monterey, and San Joaquin regions, and two for Fresno) was made mainly from two lists: (1) the "EDD list" of FLCs reporting unemployment insurance (UI) taxes under SIC 0761; and (2) the "DIR list" of license holders who were not matched with names on the EDD list. Of the 2,021 names on a third list--DOL registrants--which appeared on neither EDD nor DIR lists, most were identified by local labor contractors as foremen (see discussion below on unlicensed FLCs). Business names and individual names with an FLC designation on the DOL list were added to those on the DIR list for sampling.

The EDD list was stratified by size within each region by ranking all FLCs according to reported UI payroll and dividing the list into three groups containing equal numbers of FLCs: small, medium and large. One-third of the EDD list sample, including reserve names, was drawn randomly from each of the small, medium, and large size groups. Since the DIR list could not be stratified, sampling from it was at random.

The procedure used in Imperial (the first region where interviews were conducted) illustrates heuristics used in all regions. A total of twenty FLCs were first selected from the EDD and DIR lists in close proportion to the number of names on each. The EDD list for Imperial contained a total of 61 names, and the DIR list 43. Four names were randomly drawn from each of the three size strata on the EDD list (12 FLCs total, about one for every five on that list); and 8 were taken from the DIR list (also about one for every five). The names so selected were included in the primary sample, and remaining names from the two lists were randomly ordered as a reserve, from which survey personnel drew replacements when unable to arrange interviews with FLCs in the primary group.

Selecting unlicensed FLCs for the sample was problematic, since no list or reliable estimate of their population was available. The study design had originally reserved 10 interviews in each region for unlicensed contractors, but this plan was altered when great difficulty identifying that many was encountered. For example, only three unlicensed FLCs were found and interviewed in Imperial, and therefore seven additional respondents were drawn from the reserve EDD and DIR lists.

A similar procedure was followed in each of the other regions, the main modification based on lower expectations of how many unlicensed contractors could be interviewed. In successive regions greater numbers of FLCs were initially selected into the primary sample from the EDD and DIR lists. Relative compositions of the total and each regional survey sample by name source is shown in Table App. 2-1.

Table App. 2-1: Distribution of the FLC Sample By Source List (% of FLCs)

	Total Sample	Imperial	Ventura	Monterey	Fresno	San Joaquin
EDD: Large	24	18	21	27	29	18
EDD: Medium	23	21	21	23	27	18
EDD: Small	21	14	21	13	24	24
DIR List	27	36	24	33	16	36
Unlicensed	5	11	14	3	0	3

Four approaches were used to identify unlicensed FLCs: (1) finding names of people on the DOL list that did not also appear on the DIR list; (2) asking initial interviewees in a region for leads or specific names (and assuring them confidentiality); (3) asking local community contacts with close ties to farm workers; and (4) requesting the Bureau of Field Enforcement of DIR for names of persons who had been prosecuted for not having a license.

Phone numbers or addresses could not be found for a large majority of names on the DOL list. We attempted to reach 13 for whom phone numbers were found. Five of them were foremen who did not operate as FLCs, and four could not be located. The remaining four were interviewed, but two of them were later found to have been duly licensed.

Leads given us by FLCs and community contacts resulted in interviews of five unlicensed contractors. While this route led us to more unlicensed FLCs, the leads were far fewer than had been expected. From 180 contractors and about 25 community contacts throughout the state, only 14 names were obtained. Seven of them had acted as foremen only, one could not be found, and one did not want to be interviewed.

One problem with relying on contractors or other local community contacts as sources of unlicensed contractor names is that they generally do not know who has a license and who does not. Similarly, they have limited information about relationships between presumed contractors and growers. Persons whose names we were given might not have been truthful with us about their contracting activity, despite persistent probing by interviewers. Nevertheless, few FLCs could or would give names of unlicensed contractors, even if they felt that their businesses were being hurt by such operators. Some contractors in Imperial, Ventura, and Monterey asserted that there were few or no unlicensed FLCs operating in the region.

DIR provided names (but not phone numbers or addresses) of 20 persons in the San Joaquin Valley who had been assessed fines or had appeared in criminal court for acting as a farm labor contractor without a license. We attempted to locate 14 of them and found only four, all of whom were foremen who had only transported workers. We discontinued this effort after the time consuming process of locating these 14 persons yielded not a single unlicensed FLC.

Results of these efforts to bring unlicensed contractors into the survey sample are summarized in Table App. 2-2. Interviewers were successful in locating and interviewing a total of only five (seemingly seven until two from the DOL list were found after interviews were complete to have been licensed). Funding constraints kept us from pursuing additional attempts.

Table App. 2-2: Attempts to Locate Unlicensed FLCs (UFLCs)

Source	Total Names	UFLCs Interviewed	DIR Licensed	Foremen Only	Could Not Be Found	Refused Interview
Fined by DIR	14	0	0	4	10	0
On DOL List, Not on DIR List	13	2	2	5	3	1
Leads from FLCs & Others	14	5	0	7	1	1
Total	41	7	2	16	14	2

3. Reaching Respondents

a. Farm Labor Contractors

After farm labor contractors were selected for inclusion in the survey sample, Howard Rosenberg (Principal Investigator) sent to each a personalized letter introducing this project and asking for cooperation. This letter explained the purpose of the study, described the random sample selection, named the interviewers, assured confidentiality of participation, and gave an estimate of the time required to conduct the interview (roughly one hour). Since addresses of record were not accurate for all FLCs, some had not received a letter by the time our interviewers made their initial contacts, but copies were sent to most of them shortly thereafter or given to them at the interview.

Interviews were conducted in three phases within each region. In the first phase, Suzanne Vaupel (Project Coordinator) made initial contacts with FLCs and public officials in the county and conducted ten FLC interviews. In the second phase, Lupe Sandoval or Ricardo Ornelas interviewed twenty additional FLCs, including unlicensed contractors. After all contractor interviews were completed in a region, four were selected for auxiliary interviews of growers they had worked for and workers they had employed. Phase three consisted of grower and worker interviews conducted respectively by David Runsten and Anna Garcia or Ricardo Ornelas. These two sets of interviews were coordinated, so that data were collected as much as possible from growers and workers associated with the same FLCs.

In phase one, Vaupel began by attempting to find phone numbers for FLCs selected for the sample. EDD Agricultural Business Representatives (ABRs) were helpful in many instances where FLCs or their businesses were not listed in the phone book. Initial calls were made to arrange interviews. In most cases, several calls at a minimum were necessary to reach an FLC, either because he or she was not in the office (or home), or did not return calls, or because a phone number of record was no longer valid for the contractor. If no usable phone number was found, a visit was made to the address of record in state license or federal registration files. If only a post office box was on record, inquiries about the contractor's whereabouts were made within the local community from any leads that had been developed.

Several FLCs were working in other regions of the state during the interviewing periods, and we were able to contact most of them where they currently were. Some of the FLCs that we contacted had retired from the business (10 percent) or had never worked as contractors (2 percent), despite their names appearing on a current FLC list obtained from EDD, DIR, or DOL.

Interviewers in each region initially attempted to arrange appointments with the exact number of FLCs to be included in the subsample. When selected contractors could not be contacted or their commitment to participate not obtained quickly, interviewers contacted additional FLCs in order of listing on our reserve list.

When a contractor was reached, the interviewer introduced self, explained the purpose of the project, and arranged a meeting time and place at the convenience of the contractor. While most interviews were conducted in contractor offices and homes, some were held in the field at work sites, coffee shops and restaurants.

b. Growers and Workers

FLCs were asked to give names of growers they had worked for in 1990. Some bias may have been introduced by assembling the pool of potential grower respondents in this way. One would expect the FLCs to not name customers likely to report unfavorably on their work. Several growers did, however, express dissatisfaction with their contractors. Given the prime purpose and resource limits of this study, we did not try to obtain a more representative cross section of FLC customers.

Growers were contacted by phone to set up interviews. Since this step usually followed soon after the FLC interviews, growers did not receive introductory letters, which might have facilitated the process. Most of the problems of data collection from growers arose in simply trying to reach them in the midst of busy schedules. Two growers refused to be interviewed for personal reasons, and two refused because they did not want to talk about FLCs. None of these four explicitly indicated distrust of the institutions involved or the interviewer.

FLCs were also asked for names of crew leaders or foremen through whom worker interviews could be arranged. Some were reluctant to let workers be interviewed. Interviewers of workers spent considerable time persuading a few of the contractors to permit the interviews, and in the end all FLCs acceded.

Interviewers of workers contacted foremen and arranged to meet them in the field. These crew leaders were informed of the FLC's agreement to have a few workers interviewed. Most interviews were conducted in the field while the workers were performing their jobs. On-the-job interviewing was difficult in only a few types of work, such as melon harvesting.

Selection of specific workers to interview in a given crew was largely at the discretion of the interviewer. While a first worker was sometimes "recommended," interviewers chose others freely when foremen tended to lose interest in the process. Anna Garcia attempted to interview at least one woman in each crew containing women, and she also tried to speak with both older and younger workers. Thus, while workers were not randomly sampled, they do represent a wide variety of viewpoints.

Workers expressed no reluctance to speak on any of the material in the questionnaire. They were generally quite frank about their work situations, and interviewers were able to observe actual field conditions that may be hard to understand from purely verbal descriptions given off-site.

In a few instances the interviewer reported serious uncertainty about the workers' candor. One crew tying cauliflower consisted almost entirely of relatives of the FLC. In another case, the crew was not working on the arranged meeting day, and the crew leader brought some workers to a restaurant for interviews.

4. Issues in the Interview Process

a. Locating FLCs and Arranging for Interviews

The study design called for interviewing FLCs at or near the peak of seasonal activity in an area, so that they as well as workers would be available in the area for interviews. During this time, however, when FLCs are busy in and between work sites, it is very difficult to find them in their offices, or for them to take time away from their work to return phone calls and arrange interviews. Consequently, interviewers often had to spend much time making repeated phone calls to FLCs before an interview could be arranged.

Once a few interviews were arranged, however, conducting them took the interviewer away from the phone needed to schedule others, typically at the only times of day when FLCs were available--after work in the evening or very early in the morning before work. Furthermore, many contractors had no listed or active phone number and/or only P.O. boxes for addresses. Only through persistent efforts and questioning of local residents were some of them located.

Scheduling sufficient time for interviews was difficult because of both the competing demands on FLCs' time in season and the broad scope of the study. The shortest FLC interview lasted at least one and one-quarter hours. Most interviews ran longer, from one and one-half to two hours. Many FLCs became interested in the issues raised and answered questions at great length, some wanted additional explanation before understanding the questions, and others were frequently interrupted by phone and radio calls.

Travel time of up to two hours had to be scheduled between interviews. Delays were often encountered due to unavoidable events that kept contractors from arriving at the appointed time or even arriving at all. Interviewers waited up to two hours for FLCs who were delayed by unexpected events in the fields. Arranging interviews a week or more ahead was usually impossible because of the unpredictability of FLCs' work.

b. Reception by FLCs

A common reaction of FLCs was a sense of flattery that someone was interested in them and what they do. The reception that most FLCs gave us made it clear that the introductory letter sent prior to the interviewer's call had predisposed them to cooperate. Most had not before felt such a sense of legitimacy from outsiders. Some were confused and did not understand the reason for the research. A few were suspicious. Some were bothered by the interruption of their work, even though they agreed to be interviewed. Overall, however, most were very cooperative and helpful.

Only five percent refused outright to be interviewed, and some of the refusals appeared unavoidably related to business demands, travel schedules, or personal illness. The problem more commonly encountered was finding a time when the FLC was available. Being unavailable might have been a polite way of refusing an interview, but in most cases the interviewers were eventually able to arrange and conduct the interview. Seven percent of FLCs selected from our lists were not interviewed because of problems coordinating phone calls or meeting times. Another 10 percent were dropped from survey consideration because they had not worked as FLCs in the region during 1990 (Table App. 2- 3).

Table App. 2-3: Results of Attempts to Contact FLCs (n=395)

	Percent of Names
Interviewed	43.4
Never Found	33.4
Not Active FLC in 1990	9.6
Not Interviewed for Other Reason	7.6
Refused Interview	5.3

c. Sensitivity of Material and Credibility of Researchers

Contractors were told in the introductory letter and again by the interviewer that they could refuse to answer any question in the interview, that they would remain anonymous, and that all answers would be treated confidentially. Only a few felt that some material was off limits and refused to answer particular questions.

The only material in the grower questionnaire which proved sensitive to many were identifier questions about the grower business, such as those asking gross sales, total wage bill, or all crops grown. In addition, some growers declined to comment on wages paid to the FLC employees. Payroll information was less problematic. Some contractors went to their files and pulled documents showing the exact amount of payroll, to the penny.

Rather than viewing the University of California and its representatives as outsiders, many contractors were glad that someone from the University was interested in their business. Many contractors also had good relationships with EDD and local ABRs. In almost all cases, the interviewers felt that their rapport with the contractors was very good. Even if an FLC had been suspicious over the phone, the ensuing personal contact seemed to bolster credibility of both the interviewer and the study.

To explain the nature and purpose of this research to leaders of interested agencies in each region, Rosenberg sent letters introducing the project to Agricultural Commissioners and the Directors of U.C. Cooperative Extension in all counties where interviewing was to be conducted. Mark Sanders, EDD Deputy Director, Operations Branch, sent similar letters to EDD Field Office Managers and Agricultural Business Representatives in these counties.

Vaupel attempted to call on all of these public officials shortly after arriving in each region. Although not all were able to meet with her during the time available, the meetings that did take place were fruitful, and most officials offered unqualified support for the project. Interviewers met also with other interested state and federal agency officials, university researchers, and community leaders who were helpful in supplying background information and locating the FLCs selected for the interview sample.

d. Length of the Instrument and Interview

The sheer length of the survey instrument added difficulty to conducting the interviews. The broad scope of study requested by EDD coupled with diverse interests of project investigators and cooperators resulted in a complex instrument with a plethora of questions concerning all aspects of FLC business. As a result, interviewers normally did not have time to explore the nuances of answers or to engage in interesting side conversations. In some instances, however, respondents were able to take time to elaborate at great length with interviewers.

The long interview sessions created problems for contractors as well as challenges for interviewers. Some respondents were extremely busy and though trying to cooperate had to cope with many incoming calls during the interview from foremen in the fields and others. Some contractors were simply worn out by the end of the interview or lost patience with the many questions.

5. Data Handling and Processing

Data used in this study passed through three types of record forms on the way to becoming an analytical data base. Responses from interviewees were noted on the survey questionnaire, then coded on code sheets, from which they were entered into a computerized spreadsheet file.

The single most important instrument used was the survey instrument for farm labor contractors. This instrument was quite lengthy, requiring considerable time to administer and even more to translate and verify responses into standardized variable values on code sheets. The worker and grower instruments were designed to include several questions closely comparable to items on the FLC instrument.

Code sheets were developed to organize answers into a form easily useable for data entry into computer files. Data from the code sheets were double entered into customized computer spreadsheets, the two versions of which were electronically compared to verify accuracy. When a discrepancy was revealed between corresponding cells of the two spreadsheet versions, we referred back to the specific field in the code sheet, the original field notes, or even to the interviewer. Data corrections were entered to the master copy of the spreadsheet. Periodic spot checks of spreadsheets against code sheets provided additional confidence in data accuracy.

The spreadsheets were translated into a data base for statistical analysis on a mainframe computer. Programs were written to clean the data before analyses were performed. Problems that surfaced from programmed checks were resolved case by case, usually after reference to field notes on the questionnaire or to the interviewer personally.

Interview data direct from the code sheets were supplemented in FLC files by two types of additional information: (1) data drawn from EDD, DIR, and DOL records on the individual FLCs interviewed, and (2) variables derived strictly from interview data. Items drawn from records of these three cooperating agencies were: (a) SIC code under which the FLC reported to EDD, (b) payroll in each quarter of 1990, (c) number of employees on payroll for period including the 12th day of each month in 1990, (d) state license status, and (e) federal registration status.

The derived variables were needed for data analysis, since many pure interview responses were less meaningful when considered alone or in their original form. Contractors were asked, for example, the number of customers for whom they had worked for at least three years. To turn these responses into a measure more comparable across FLCs (i.e., proportion of long-term customers in 1990) they were divided by data from the interview item on total number of customers in 1990. Another example involves specification of commodities in which contractors worked. From each survey respondent up to ten commodities were recorded and coded into ten respective variable fields. Measures of crop diversity in FLC operations can be derived from these ten direct responses.

5. Testing Implications of Response Rates on Survey Items

Virtually all the interviewed farm labor contractors responded to most questions. Response rates--the proportion of responses to each question on the survey to the total number of FLCs interviewed--were above 95 percent for most questions. The response rates were substantially lower, however, for several questions. We examined whether high nonresponse rates are likely to imply that the answers of respondents are not representative of the entire sample.

For most of the questions with a low response rate, failure to respond was due simply to the inapplicability of the question to FLCs who did not answer it. For example, a question about the cost of in-field meals should yield no answer from a respondent who does not provide meals. Questions about the unit of output on which a piece rate is based are inapplicable to FLCs who pay only hourly wages. Other than such items, there are very few questions with a low response rate, and they are inconsequential to the present analysis.

Appendix 3

The comparison of survey responses regarding the numbers of workers employed to those reported in the unemployment insurance tax collection process are discussed in Section D, Organization of the Business.

Figure D-3a. Differences Between Payroll Reported in Interview and UI File (all SICs)

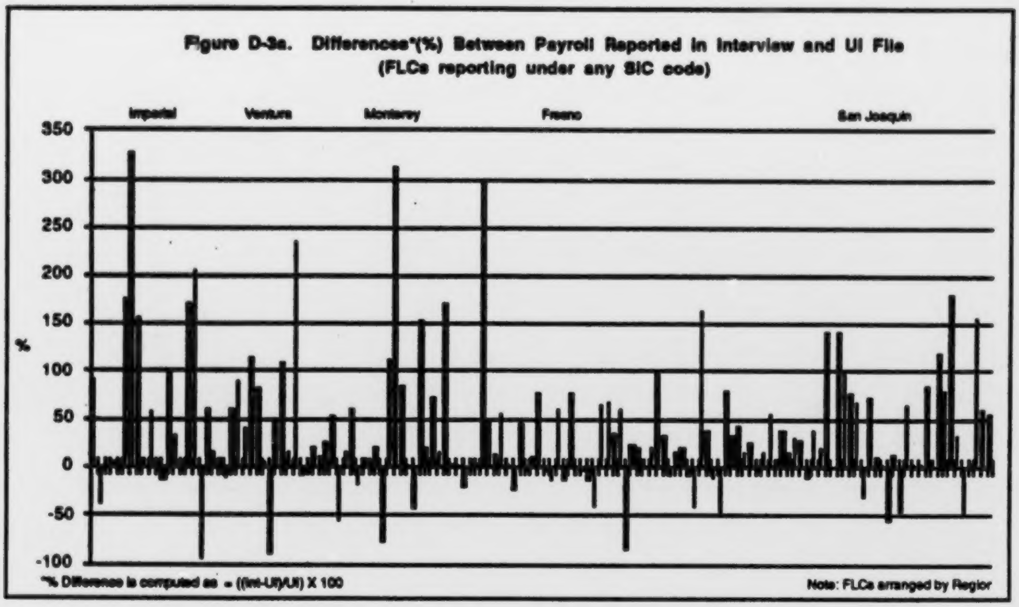


Figure D-3b. Differences Between Payroll Reported in Interview and UI File (SIC 0761)

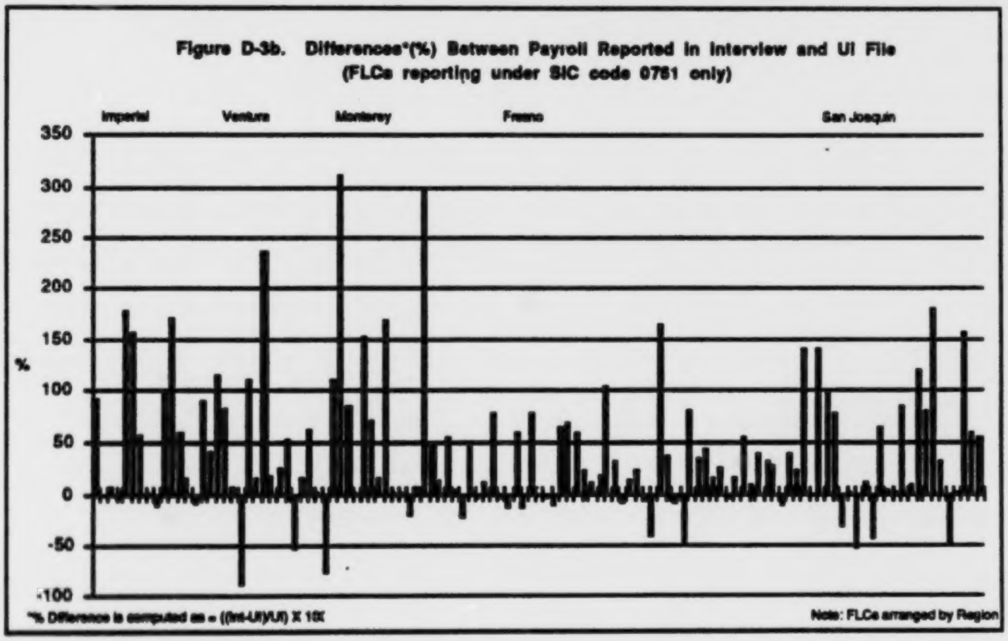


Figure D-4a. Differences Between Employment Reported in Interview and UI File (All SICs)

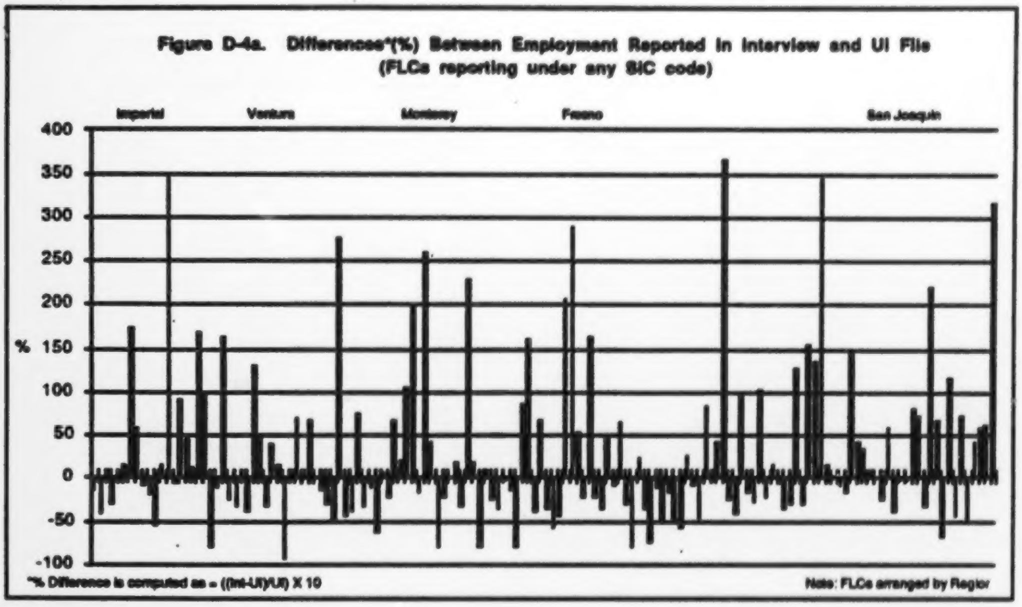
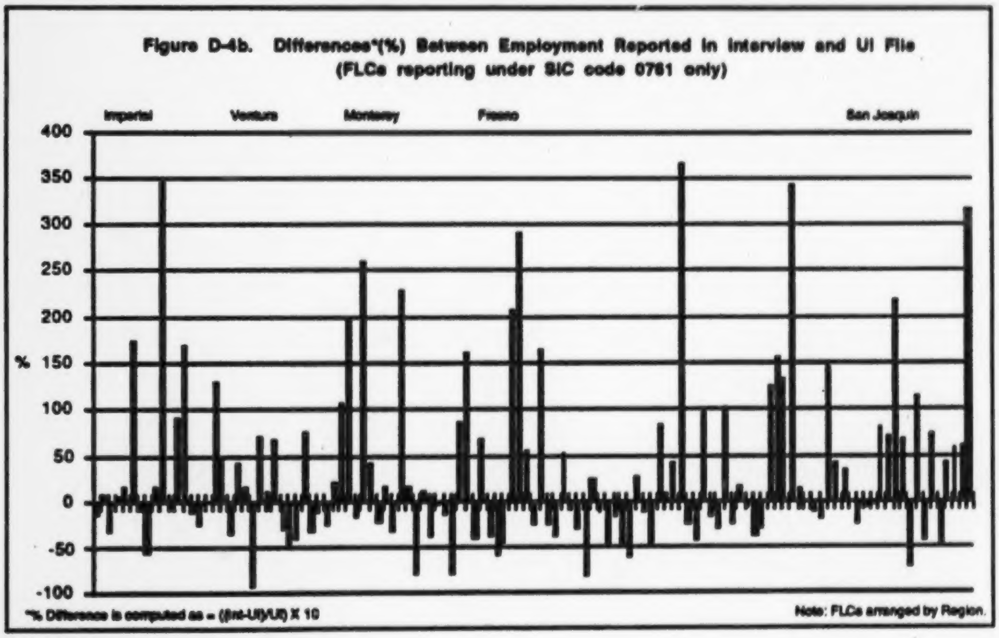


Figure D-4b. Differences Between Employment Reported in Interview and UI File (SIC 0761)



Appendix 3. Comparison of Data from Interviews and UI Files

County	SIC	Total Payroll (Dollars)		% Difference	Peak Employment		% Difference
		Interviews	UI Files	(Int-UI)/UI	Interviews	UI Files	(Int-UI)/UI
Imperial	761	5,000,000	2,606,327	+92	500	600	-17
	761	1,250,000	1,298,498	-4	500	463	+8
	761		14,625		450	3	+14,900
	761	780,000	740,050	+5	230	350	-34
	761	780,000	825,720	-6	150	143	+5
	761	200,000	72,207	+177	23	20	+15
	761	5,500,000	864,225	+536	2,500	914	+174
	761	12,600,000	234,901	+5,264	2,360	10	+23,500
	761	300,000	117,320	+156	40	45	-11
	761	265,000	168,501	+57	60	142	-58
	761	1,005,000	999,097	+1	200	175	+14
	761		350,860		360	81	+344
	761	1,100,000			400		
	761	4,500,000	5,239,865	-14	620	674	-8
	761	600,000	301,855	+99	200	105	+90
	761	1,600,000	592,113	+170	1,200	450	+167
	761	400,000	253,120	+58	250	288	-13
Ventura	761	2,000,000	1,762,452	+13	250	345	-28
	761	700,000	799,156	-12	100	102	-2
	761	950,000	502,802	+89	300	131	+129
	761	970,000	695,335	+40	150	101	+49
	761	700,000	326,914	+114	85	132	-36
	761	1,200,000	659,562	+82	130	93	+40
	761	1,900,000	1,809,076	+5	350	304	+15
	761	1,000,000	10,563,523	-91	500	10,275	-95
	761	100,000	47,657	+110	22	13	+69
	761	415,000	363,412	+14	85	78	+9
	761	4,500,000	409,576	+999	780	97	+704
	761	75,000	22,322	+236	20	12	+67
	761	370,000	313,293	+18	65	97	-33
	761	1,200,000	11,307	+10,513	250	26	+862
	761	900,000	724,810	+24	90	172	-48
	761	260,000	170,685	+52	80	136	-41
	761	12,000	27,503	-56	14	8	+75
	761	350,000	307,440	+14	70	107	-35
Monterey	761	2,000,000	1,242,952	+61	275	319	-14
	761	900,000	886,231	+2	160	213	-25
	761	273,582	1,308,653	-79	700	579	+21
	761	650,000	308,570	+111	485	236	+106
	761	5,000,000	1,215,338	+311	900	300	+200
	761				250		
	761	4,500,000	2,443,907	+84	450	545	-17
	761		68,876		25	7	+257
	761	2,900,000	2,909,092	0	1,800	1,267	+42
	761	1,570,000	622,690	+152	175	230	-24
	761	2,000,000	1,167,661	+71	240	206	+17
	761	1,900,000	1,667,439	+14	115	177	-35
	761	1,000,000	370,998	+170	250	76	+229
	761	3,218,000	3,159,097	+2	375	324	+16
	761	500,000	504,099	-1	60	316	-81

continued

Comparison of Data from Interviews and UI Files (cont'd.)

County	SIC	Total Payroll (Dollars)		% Difference	Peak Employment		% Difference
		Interviews	UI Files	(Int-UI)/UI	Interviews	UI Files	(Int-UI)/UI
Monterey	761	1,275,500	1,645,544	-22	1,000	917	-9
(cont'd.)	761	1,000,000	962,067	+4	150	240	-38
	761	1,000,000	250,114	+300	80	84	-5
	761	160,000	108,355	+48	35	42	-17
	761	250,000	222,229	+12	20	103	-81
	761	3,000,000	214,236	+1,300	600	72	+733
	761	335,000	215,795	+55	150	81	+85
Fresno	761	1,700,000	1,651,882	+3	500	193	+159
	761	372,900	495,025	-25	140	239	-41
	761	183,000	125,916	+45	225	135	+67
	761	83,271	88,626	-6	60	97	-38
	761	241,000	218,001	+11	700	42	+1,567
	761	628,198	354,113	+77	220	559	-61
	761	1,200,000	1,265,977	-5	375	699	-46
	761		80,600		340	111	+206
	761	160,000	189,919	-16	70	18	+289
	761	500,000	311,668	+60	200	130	+54
	761	82,000	97,182	-16	150	200	-25
	761	106,000	59,690	+78	100	38	+163
	761	537,320	537,319	0	300	407	-26
	761	147,595	155,338	-5	150	249	-40
	761	1,500,000	1,732,864	-13	500	333	+50
	761		529,122		40	45	-11
	761		74,891		80	120	-33
	761	1,600,000	977,622	+64	400	65	+515
	761	70,000	41,758	+68	40	237	-83
	761	1,200,000	750,326	+60	500	407	+23
	761	3,000,000	2,491,934	+20	700	823	-15
	761	15,000,000	1,611,539	+831	250	525	-52
	761	250,000	5,641	+4,332	300	2	+14,900
	761	60,000	55,170	+9	40	49	-18
	761	888,000	750,986	+18	200	423	-53
	761	200,000	7,488	+2,571	70	2	+3,400
	761	289,000	142,996	+102	550	100	+450
	761	220,000	166,492	+32	65	166	-61
	761	135,000	152,111	-11	80	64	+25
	761	2,241,000	1,982,862	+13	350	400	-13
	761	1,500,000	1,238,534	+21	150	322	-53
	761	250,000	272,619	-8	100	55	+82
	761	300,000	520,274	-42	300	43	+598
	761	800,000	304,723	+163	150	139	+8
	761	1,500,000	1,103,479	+36	300	212	+42
	761		90,102		200	43	+365
	761	1,500,000	1,713,089	-12	350	478	-27
	761	100,000	198,163	-50	50	91	-45
	761	360,000	199,596	+80	220	112	+96
	761	1,149,114	861,075	+33	462	568	-19
	761	1,800,000	1,269,971	+42	380	544	-30
	761	1,000,000	872,118	+15	850	423	+101
	761	3,000,000	2,420,695	+24	500	670	-25

continued

Comparison of Data from Interviews and UI Files (cont'd.)

County	SIC	Total Payroll (Dollars)		% Difference	Peak Employment		% Difference
		Interviews	UI Files	(Int-UI)/UI	Interviews	UI Files	(Int-UI)/UI
Fresno (cont'd.)	761	280,000	2,010	+13,830	830	1	+82,900
	761	2,872,062	3,010,566	-5	700	608	+15
	761	1,100,000	948,868	+16	250	270	-7
	761	800,000	515,637	+55	200	328	-39
	761	4,500,000	4,178,870	+8	700	1,053	-34
	761	500,000	365,454	+37	300	133	+126
	761	300,000	230,557	+30	350	138	+154
	761	800,000	624,856	+28	350	150	+133
	761	60,000	68,908	-13	75	17	+341
	761	808,000	585,159	+38	300	264	+14
	761	84,000	69,738	+20	100	101	-1
San Joaquin	761		82,472			30	
	761	180,000	74,950	+140	65	74	-12
	761	400,000	413,113	-3	100	125	-20
	761	1,000,000	414,927	+141	380	155	+145
	761	680,000	342,594	+98	85	60	+42
	761	1,800,000	1,011,815	+78	800	603	+33
	761		572,680		100	102	-2
	761	300,000	451,561	-34	150	207	-28
	761	240,000	240,507	0	100	107	-7
	761	26,500	60,670	-56	15	16	-6
	761	201,372	180,354	+12	90	50	+80
	761	26,500	49,242	-46	75	44	+70
	761	400,000	243,884	+64	89	9	+889
	761	338,000	328,017	+3	70	22	+218
	761	850,000	855,798	-1	400	240	+67
	761	200,000	108,192	+85	150	9	+1,567
	761	26,000	23,995	+8	19	2	+850
	761	200,000	91,623	+118	150	13	+1,054
	761		495,139		120	432	-72
	761	10,180	1,637	+522	8	0	
	761	65,000	36,129	+80	15	7	+114
	761	200,000	71,364	+180	100	186	-46
	761	350,000	264,859	+32	160	93	+72
	761	20,000	41,578	-52	50	104	-52
	761	940,000	928,095	+1	500	352	+42
	761	89,000	34,784	+156	150	96	+56
	761	80,000	49,960	+60	40	25	+60
	761	40,000	26,102	+53	25	6	+317
Average 0761		**1,199,485**	**744,206**	**+61**	**301**	**291**	**+4**

continued

Comparison of Data from Interviews and UI Files (cont'd.)

County	SIC	Total Payroll (Dollars) Interviews	Total Payroll (Dollars) UI Files	% Difference (Int-UI)/UI	Peak Employment Interviews	Peak Employment UI Files	% Difference (Int-UI)/UI
Imperial	722	120,000	193,181	-38	20	35	-43
	9999	344,000	80,417	+328	200	126	+59
	722	2,000,000	1,829,261	+9	600	766	-22
	161	400,000	302,155	+32	120	84	+43
	721	386,000	385,863	0	30	27	+11
		264,388			25		
	9999	1,000,000	169,757	+489	600	111	+441
		250,000			90		
					1,500		
	723	700,000	229,688	+205	250	125	+100
	722	150,000	3,423,377	-96	150	915	-84
Ventura	5083		169,315		50	19	+163
	721	500,000	471,772	+6	38	59	-36
	762	3,300,000	2,052,015	+61	590	989	-40
	174	400,000	268,337	+49	45	42	+7
	762	700,000	47,007	+1,389	140	4	+3,400
	762	43,072	47,007	-8	4	4	0
	171	5,500,000	60,164	+9,042	700	16	+4,275
	174	268,000	268,337	0	35	42	-17
	179	1,200,000	1,093,347	+10	90	180	-50
	722	800,000	27,503	+2,809	30	8	+275
	179	16,000			2		
Monterey	722	250,000	315,912	-21	60	174	-66
	723	3,000,000	2,802,876	+7	450	430	+5
	723	2,500,000	2,081,780	+20	590	356	+66
	9999	250,000	436,057	-43	50	274	-82
		30,000	25,069	+20	31	32	-3
	723	1,739,316	1,739,314	0	160	219	-27
		350,000			65		
		1,300,000			200		
Fresno	175	181,000	314,255	-42	75	46	+63
	191	326,000	243,701	34	175	29	+503
	174	50,000	371,621	-87	30	48	-38
	172	800,000			300		
	762	6,500,000	5,316,194	+22	260	1,200	-78
	762	75,000	65,223	+15	35	51	-31
San Joaquin	179	1,500,000	896,388	+67	180	169	+7
	172	150,000	86,670	+73	50	32	+56
	7361	2,520,000	2,275,876	+11	300	502	-40
	191		670,618		150	232	-35
					20		
Average	**Non-0761**	**1,077,372**	**871,517**	**+24**	**207**	**223**	**-7**
Average Total		**1,172,102**	**768,919**	**+52**	**280**	**278**	**+1**